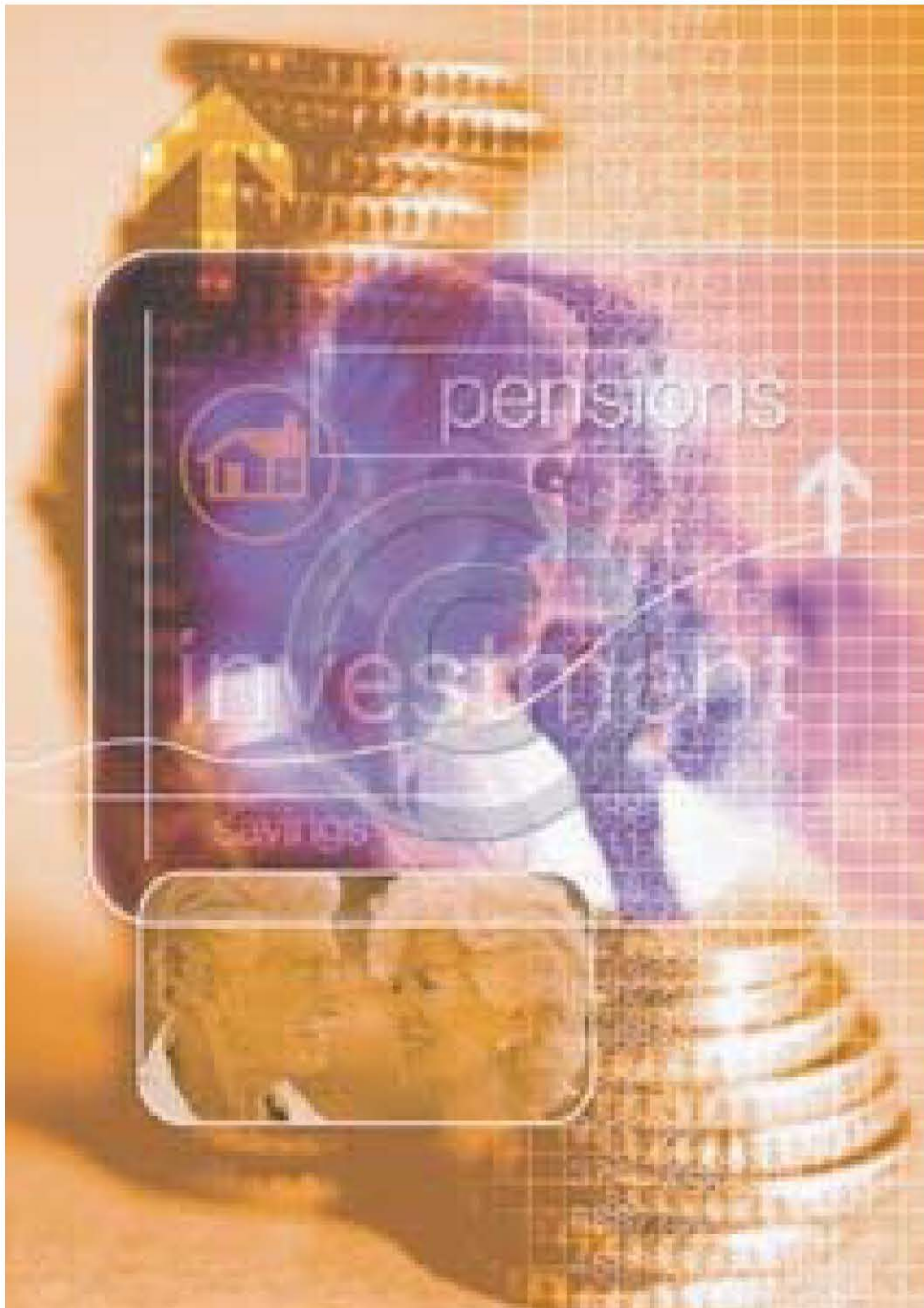


Comprehensive Annual Financial Report for the Year Ended June 30, 2000



# *I*ntroductory Section



*Board of Trustees*

*Transmittal Letter*

*Certificate of Achievement in  
Financial Reporting*

*Organizational Chart*

*Professional Services*

The Public School &  
The Non-Teacher School Employee



## *Board of Trustees*

As of June 30, 2000



Pictured from left to right: **Veronica Hambacker**, Chair; **Lynn Harmon**, Appointed Member; **Nancy Gaines**, Vice-Chair, Elected NTRS Member; **William Wasson**, Appointed Retired Member; **Lou Floyd**, Elected PSRS Member; **Wayne Wheeler**, Elected PSRS Member; and **Laurel Cochennet**, Appointed Member.

The Public School &  
The Non-Teacher School Employee



**Joel M. Walters**  
Executive Director

**John K. Boudinot**  
Assistant Executive Director

**Pattie L. Porterfield**  
Administrator, PSRS Member Services

**Robert W. Rust**  
Administrator, NTRS Member Services

October 30, 2000

## **TO: Board of Trustees and Members of the Retirement Systems:**

We are pleased to present the combined annual financial reports of The Public School Retirement System (PSRS) and the Non-Teacher School Employee Retirement System of Missouri (NTRS) for the 1999-00 fiscal year. The Board of Trustees has fiduciary, administrative and fiscal responsibility for both systems. Thus, the combined presentation of this report better conforms with accounting standards.

### ***Report Contents***

This Comprehensive Annual Financial Report (CAFR) is designed to provide you with information on the financial operations of the systems, the stewardship of the funds and compliance with all legal requirements. Management is responsible for the accuracy of the contents and the completeness and fairness of the presentation of this CAFR. The enclosed information is accurate in all material respects and is reported in a manner to fairly present the financial position and the results of the operations of the system. We hope this CAFR will enhance your understanding of the purpose, structure and operations of PSRS and NTRS.

This report is presented in five sections:

- The Introductory Section contains general information about the retirement systems.
- The Financial Section contains financial information about the operations of the systems during the fiscal year.
- The Investment Section shows how the funds of the system were invested and information regarding the return on those investments.
- The Actuarial Section reports the funded condition of both systems.
- The Statistical Section contains general information concerning finances and participants of the systems.

### ***Overview of the Retirement Systems***

The Public School Retirement System of Missouri, a cost-sharing multiple employer retirement system, was established in 1946 by an act of the Missouri legislature to provide retirement, disability and death benefits to full-time, certificated employees in the public schools and four-year regional universities. It has been amended to include part-time employees of public schools and no longer accepts new employees of the regional universities.

The Non-Teacher School Employee Retirement System of Missouri, also a cost-sharing multiple employer retirement system, was established in 1965 by an act of the legislature to provide retirement, disability and death benefits to non-certificated school employees in the public schools, community colleges and junior colleges who have elected to join the system.



Both systems are funded on an actuarial reserve basis, with money contributed by members and school districts, combined with investment income, to provide income for benefits before those benefits are paid. The additions and deductions to the funds of the systems during the 1999-00 fiscal year are shown in the tables below:

## Financial Information

(Dollars in millions)

	<u>PSRS</u>	<u>NTRS</u>	<u>1999-00 TOTAL</u>	<u>1998-99 TOTAL</u>	<u>INC (DEC)</u>
Additions					
Contributions	\$ 625	\$ 69	\$ 694	\$ 650	7%
Net Investment Income	<u>1,455</u>	<u>114</u>	<u>1,569</u>	<u>1,933</u>	(19%)
<b>Total</b>	<b>\$2,080</b>	<b>\$183</b>	<b>\$2,263</b>	<b>\$2,583</b>	<b>(12%)</b>
Deductions					
Monthly Benefits	\$ 639	\$ 42	\$ 681	\$ 569	20%
Lump-sum Refunds	36	10	46	38	21%
Administrative Expenses	<u>4</u>	<u>2</u>	<u>6</u>	<u>5</u>	20%
<b>Total</b>	<b>\$ 679</b>	<b>\$ 54</b>	<b>\$ 733</b>	<b>\$ 612</b>	<b>20%</b>

The increase in contributions and refunds is attributable to the general increase in employee salaries. The increase in monthly benefits can be attributed to the 2,152 new service retirees added to the PSRS monthly rolls and the 960 NTRS retirees added to the monthly rolls. The increase in administrative expenses resulted from increased postage and printing costs and higher personnel costs.

Management is responsible for designing and maintaining a system of adequate and effective internal accounting controls. These controls protect and safeguard the assets of the systems and provide for the reliability of financial records.

All financial statements are prepared using the accrual basis of accounting. Both member and employer contributions are required by state statute and are recognized in the period in which the employees' services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. Expenses are recognized when the liability is incurred, regardless of when payment is made and cash and cash equivalents (1%).

## Investment Activities

Fiscal year 1999-00 was again a solid period for investors with the continuation of a volatile, yet favorable global environment. The Systems' investment portfolios remain a diversified mix of domestic stocks (38%), international stocks (16%), fixed income (45%), and cash and cash equivalents (1%). This portfolio, when combined with various investment approaches as used by the Systems, continues to provide comparable returns at a lower risk than policy benchmarks.

The PSRS and NTRS investment portfolios generated a 7.7% return for the fiscal year, falling below the actuarially required rate of return of 8%. However, for the five-year period ending June 30, 2000, PSRS has an annualized rate of return of 13.6%, while NTRS's annualized rate of return for the same period was 13.5%.

## Funding Status

PSRS and NTRS are defined benefit retirement systems. This means that a formula made up of credit (years of service) times final average salary, times a multiplier (2.5% for PSRS and 1.45% for NTRS for every year of credit) creates each member's retirement benefit. The systems are also known as actuarial reserve retirement systems, which means a level contribution payment in conjunction with a moveable amortization period determines the relative health of the systems. As of June 30, 2000, PSRS is 106% funded, while NTRS is 109%

funded. The actuarial value of the assets of PSRS is \$19,437,223,000 while the accrued liability is \$18,279,113,000. The actuarial value of the assets of NTRS is \$1,522,660,000 while the accrued liability is \$1,395,300,000.

### ***Major Initiatives During 1999-00***

Legislation enacted during the 2000 General Assembly was contained in CCS/SS/SCS/HB 1808 and provided for the following in PSRS: a) the extension of the 25-and-out option through July 1, 2003; b) an increase to the lifetime COLA limit from 75% to 80% of the original benefit; c) the reduction of the waiting period before a member is eligible for COLA increases from the 4<sup>th</sup> January following retirement to the 3<sup>rd</sup> January following retirement (for those members who retire on or after July 1<sup>st</sup>, 2000); and d) a 3.5% increase in the benefits of those retired prior to July 1, 2000.

Improvements to NTRS were also contained in CCS/SS/SCS/HB 1808 and included the following; a) the benefit multiplier was increased from 1.45% to 1.51%; b) the final average salary period was lowered from five years to three years, allowing for a higher average salary to be used when calculating benefits; c) the 25-and-out option was continued through July 1, 2003 with appropriate increases to the multipliers based upon a full multiplier of 1.51%; d) the "Rule of 80" was added which allows the use of the 1.51% formula when a retiree's age and service equal 80; e) a new benefit of .4% for each year of credit was added for those individuals under the age of 62 at retirement who retire under the auspices of the "Rule of 80" or "30-and-out." This temporary multiplier increase is only paid while the retiree is less than age 62; f) the maximum allowable contribution required to NTRS was increased from 4.5% to 5.0%, but will not become effective until July 1, 2001; and g) a 3.4% increase was added to the benefit of all those retired prior to July 1, 2000.

The retirement systems, along with all business partners, successfully planned for, and implemented Y2K readiness. Successful testing of all systems was completed well before January 1, 2000, and allowed for uninterrupted continuation of all services.

During 1997-98, the Employers' Monthly Electronic Reporting System (EMERS) was designed to accept data from employers' payroll systems, edit the information and transmit the data to the retirement system after each payroll period. The system was tested at beta sites during 1998-99. During 1999-2000, the system successfully went live with approximately 200 employers reporting electronically by year end.

The construction of a new facility for NTRS and PSRS began in June of 2000. The new facility will be located at 3210 West Truman Boulevard in Jefferson City and is expected to be completed in August or September of 2001. When completed, the new facility will provide an attractive, spacious waiting area for our members who come to the retirement offices to conduct business; individual counseling offices to provide the needed privacy for important, personal conversations; easy access from any direction; increased employee work stations and needed parking spaces; updated board room facilities; space for transitioning from the current paper environment to a more modern image environment; much needed and improved conference space; space for an information center designed specifically to address questions from members; space for technology training and formatting; and meeting space for use by the educational community.

### ***Awards***

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to both the Public School Retirement System and to the Non-Teacher School Employee Retirement System for their comprehensive annual financial reports for the fiscal year ended June 30, 1999. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. We believe this report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the Government Finance Association to determine its eligibility for another certificate.



### **Professional Services**

Certain professional services are provided to the retirement systems by retained consultants. The required opinion letters from two of those consultants, Gabriel, Roeder, Smith and Company, actuaries, and KPMG, independent certified public accountants, are contained elsewhere in this report.

Investment consulting services, as well as investment manager search assistance and investment performance analysis has been provided by Strategic Investment Solutions, of San Francisco, CA.

### **Acknowledgements**

We express our thanks and gratitude to the staff, Board of Trustees and consultants who have worked diligently to produce this report and to ensure the successful operation of this retirement system.

Respectfully submitted,

**Joel Walters**  
Executive Director

**Lori Woratzeck**  
Chief Financial Officer



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

The Public School Retirement System  
of Missouri and the Non-Teacher  
School Employee Retirement System

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1999

A Certificate of Achievement for Excellence in Financial  
Reporting is presented by the Government Finance Officers  
Association of the United States and Canada to  
government units and public employee retirement  
systems whose comprehensive annual financial  
reports (CAFRs) achieve the highest  
standards in government accounting  
and financial reporting.



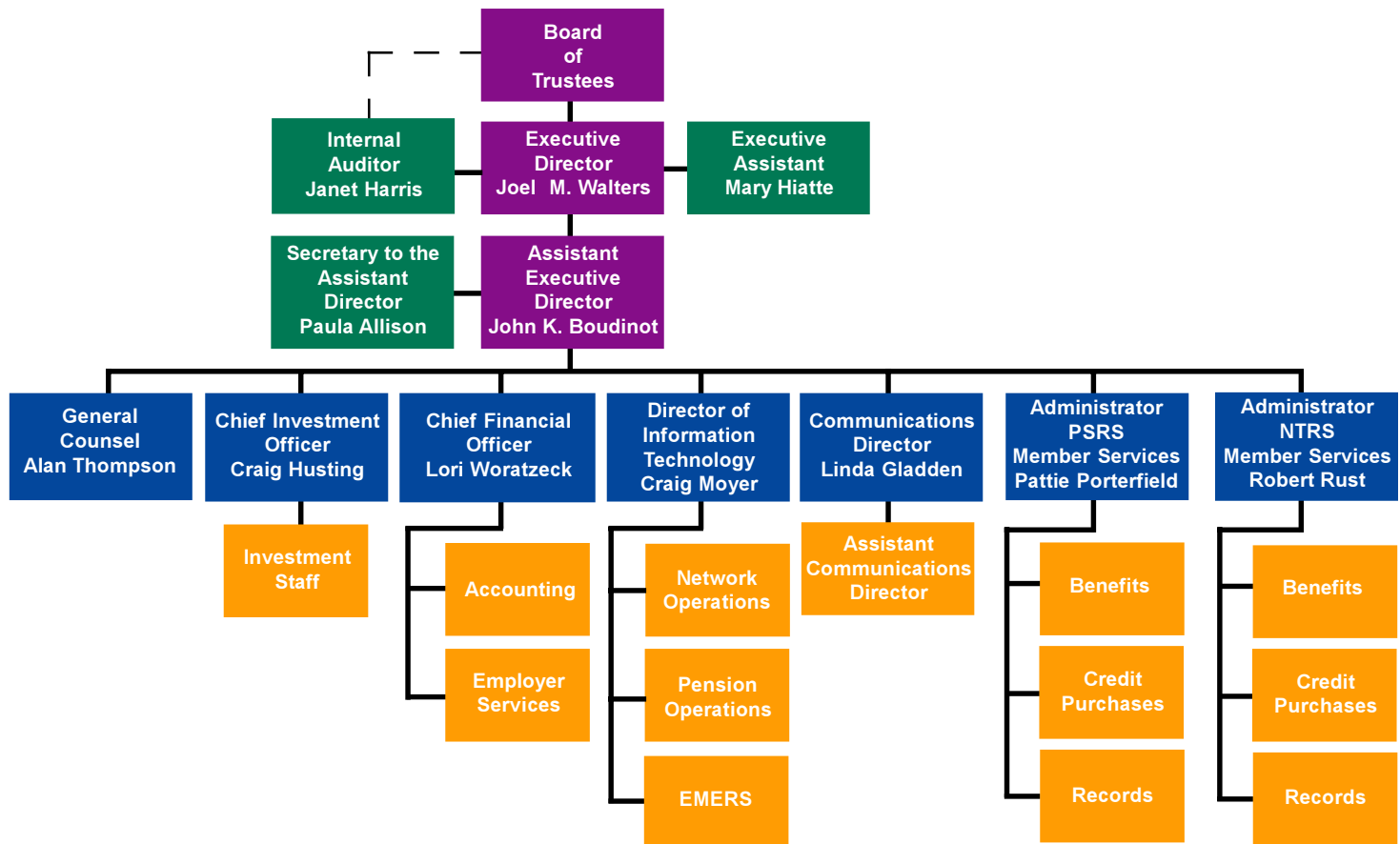
*Anne Spray Kinney*  
President

*Jeffrey L. Esser*  
Executive Director



# Organizational Chart

June 30, 2000



## Professional Services

June 30, 2000

### Actuary

**Gabriel, Roeder, Smith & Co.**  
Actuaries and Consultants  
Norman S. Losk, FSA  
Roseville, California

### Auditor

**KPMG LLP**  
Drew Blossom, CPA  
Melissa Benton, CPA  
Kansas City, Missouri

### Computer Consultants

**Huber & Associates, Inc.**  
James Huber  
Jefferson City, Missouri

**Mitten Software**  
Jim Morgan  
Minnetonka, Minnesota

**Mize, Houser & Company  
Professional Association**  
Marsha Oliver  
Becky Holmquist  
Topeka, Kansas

**Lanit**  
Chris Miller  
Columbia, Missouri

### Insurance Consultant

**Charlesworth & Associates**  
Bob Charlesworth  
Overland Park, Kansas

### Legal Counsel

**Thompson Coburn  
Attorneys at Law**  
Allen Allred  
St. Louis, Missouri

### Legislative Consultant

Jack Pierce  
Jefferson City, Missouri

### Medical Advisor

Dr. Robert H. Tanner  
Jefferson City, Missouri

### Investment Management Consultant

**Strategic Investment Solutions, Inc.**  
Michael R. Beasley  
San Francisco, California

### U.S. Equity Investment Advisors

**Alliance Capital Management**  
John A. Koltes  
Elizabeth Smith  
Minneapolis, Minnesota

**Dimensional Fund Advisors**  
Rex A. Sinquefeld  
Carol Wardlaw  
Santa Monica, California

**DSI International**  
John Holmgren  
Norwalk, Connecticut

**State Street Global Advisors**  
Anne B. Eisenberg  
Tom O'Brien  
Toby Seggerman  
Boston, Massachusetts

**Thomson, Horstmann & Bryant, Inc.**  
Richard Horstmann  
Al Thomson  
Saddle Brook, New Jersey

**Trust Company of the West (TCW)**  
Glen Bickerstaff  
Brian Beitner  
Los Angeles, California

**UBS Brinson**  
John Leonard  
Steven E. Wilde  
Chicago, Illinois

### International Investment Advisors

**Bank of Ireland Asset  
Management**  
Jane Neill  
Lelia Long  
Dublin, Ireland

**INVESCO Global Asset Management**  
John Rogers  
Kirk Holland  
Atlanta, Georgia

**Oechsle International Advisors**  
Kathleen Harris  
Jamie Macmillan  
Boston, Massachusetts

**State Street Global Advisors**  
David Chin  
Toby Seggerman  
Boston, Massachusetts

### Fixed Income Investment Advisors

**BlackRock Financial Management**  
Andy Phillips  
Robert Capaldi  
New York, New York

**NISA Investment Advisors**  
Jess Yawitz  
Robert Krebs  
St. Louis, Missouri

**Payden & Rygel**  
Brian Matthews  
Los Angeles, CA

**State Street Global Advisors**  
Joe Marvin  
Toby Seggerman  
Boston, Massachusetts

**Wellington Management Co., LLP**  
Tom Pappas  
Robert A. Rodriguez  
Boston, Massachusetts

### Master Trustee/Custodian

**State Street Bank and Trust Company**  
R. Scott Paton  
Ann Barrett  
Boston, Massachusetts



# *Financial Section*



*Independent Auditors' Report*

*Basic Financial Statements*

*Required Supplementary Information*

*Schedule of Administrative Expenses*

*Schedule of Investment Expenses*

The Public School &  
The Non-Teacher School Employee





1000 Walnut, Suite 1800  
P.O. Box 13127  
Kansas City, MO 64199

Telephone 816 474 6480  
Fax 816 556 9652

### Independent Auditors' Report

The Board of Trustees  
Public School Retirement System of Missouri  
Non-Teacher School Employee Retirement System of Missouri:

We have audited the accompanying statement of plan net assets of the Public School Retirement System of Missouri and the Non-Teacher School Employee Retirement System of Missouri (the System) as of June 30, 2000 and the related statement of changes in plan net assets for the year then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the Public School Retirement System of Missouri and the Non-Teacher School Employee Retirement System of Missouri at June 30, 2000 and the changes in plan net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary schedules of funding progress and employer contributions on pages 11 and 12 are not a required part of the basic financial statements of the System, but are required by the Governmental Accounting Standards Board (GASB). The supplementary information included on pages 13 and 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the System. Such information, included on pages 11 through 14, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

**KPMG LLP**

September 8, 2000



KPMG LLP, KPMG LLP is a U.S. limited liability partnership, is a member of KPMG International, a Swiss association.

# Statements of Plan Net Assets

as of June 30, 2000 with comparative totals for June 30, 1999

	TOTALS (Memorandum Only)			
	PSRS	NTRS	June 30, 2000	June 30, 1999
<b>ASSETS</b>				
<b>Cash</b>	\$ 53,845,475	\$ 12,693,585	\$ 66,539,060	\$ 92,490,186
<b>Receivables</b>				
Contributions	88,622,257	6,460,853	95,083,110	97,630,000
Accrued Interest and Dividends	81,277,105	6,402,445	87,679,550	84,452,988
Investment Sales	1,055,905,372	85,521,770	1,141,427,142	544,191,728
Due from NTRS	66,588	-	66,588	52,534
Other	210,629	3,241	213,870	75,907
Total Receivables	1,226,081,951	98,388,309	1,324,470,260	726,403,157
<b>Investments, at fair value</b>				
Fixed Income	9,299,256,123	724,667,902	10,023,924,025	9,084,135,692
Domestic Stocks	7,782,559,147	599,983,838	8,382,542,985	8,088,980,887
International Equities	3,288,591,135	255,777,411	3,544,368,546	3,145,759,493
Short Term Investments	747,777,936	66,875,930	814,653,866	311,435,247
Total Investments	21,118,184,341	1,647,305,081	22,765,489,422	20,630,311,319
<b>Invested Securities Lending Collateral</b>	1,591,493,126	147,355,427	1,738,848,553	2,053,123,491
<b>Prepaid Expenses</b>	73,963	272	74,235	106,582
<b>Fixed Assets, net of accumulated depreciation</b>	3,417,383	313	3,417,696	3,372,665
<b>TOTAL ASSETS</b>	23,993,096,239	1,905,742,987	25,898,839,226	23,505,807,400
<b>LIABILITIES</b>				
Accounts Payable	5,465,444	403,281	5,868,725	4,584,637
Interest Payable	344,843	36,958	381,801	261,246
Securities Lending Collateral	1,591,493,126	147,355,427	1,738,848,553	2,053,123,491
Investment Purchases	1,676,347,259	133,209,698	1,809,556,957	634,008,637
Due to PSRS	-	66,588	66,588	52,534
Lease Liability	19,012	-	19,012	34,795
Compensated Absences	229,539	-	229,539	183,191
<b>TOTAL LIABILITIES</b>	3,273,899,223	281,071,952	3,554,971,175	2,692,248,531
<b>Net Assets Held in Trust for Pension Benefits (Schedules of funding progress for the plans are presented on page 27.)</b>	<u>\$ 20,719,197,016</u>	<u>\$ 1,624,671,035</u>	<u>\$ 22,343,868,051</u>	<u>\$ 20,813,558,869</u>



## Statements of Changes in Plan Net Assets

for the year ended June 30, 2000 with comparative totals for the year ended June 30, 1999

			<b>TOTAL</b> <b>(Memorandum Only)</b>	
	<b>PSRS</b>	<b>NTRS</b>	<b>2000</b>	<b>1999</b>
<b>ADDITIONS</b>				
<b>Contributions:</b>				
Employer	\$ 304,944,352	\$ 34,185,605	\$ 339,129,957	\$ 317,711,595
Member	319,579,235	34,498,736	354,077,971	332,555,073
Total Contributions	624,523,587	68,684,341	693,207,928	650,266,668
<b>Investment Income</b>				
<i>From Investing Activities:</i>				
Net Appreciation in Fair Value of Investments	995,573,412	77,932,170	1,073,505,582	1,504,362,858
Interest from Investments	379,919,730	29,924,209	409,843,939	341,738,358
Interest from Bank Deposits	228,592	31,128	259,720	205,645
Dividends	90,070,132	6,979,084	97,049,216	91,882,135
Total Investment Income	1,465,791,866	114,866,591	1,580,658,457	1,938,188,996
Less Investment Expenses	20,411,169	1,680,486	22,091,655	16,760,692
Net Income from Investing Activities	1,445,380,697	113,186,105	1,558,566,802	1,921,428,304
<i>From Security Lending Activities:</i>				
Security Lending Gross Income	104,467,385	8,707,508	113,174,893	104,211,015
Less Security Lending Activity Expenses:				
Security Lending-Agent Fees	2,145,836	173,142	2,318,978	2,172,154
Security Lending-Broker Rebates	92,699,345	7,766,633	100,465,978	90,592,711
Total Security Lending Expenses	94,845,181	7,939,775	102,784,956	92,764,865
Net Income from Security Lending Activity	9,622,204	767,733	10,389,937	11,446,150
Total Net Investment Income	1,455,002,901	113,953,838	1,568,956,739	1,932,874,454
<b>Other Income:</b>				
NTRS Capital Asset Charge	168,668	-	168,668	140,369
Miscellaneous Income	105,343	14,015	119,358	149,468
Total Other Income	274,011	14,015	288,026	289,837
<b>Total Additions</b>	<b>2,079,800,499</b>	<b>182,652,194</b>	<b>2,262,452,693</b>	<b>2,583,430,959</b>
<b>DEDUCTIONS</b>				
Monthly Benefits	638,980,832	41,530,413	680,511,245	569,136,445
Refunds of Contributions	36,098,516	9,901,992	46,000,508	38,338,844
Administrative Expenses	3,709,917	1,919,465	5,629,382	4,741,794
Other Expenses	1,743	633	2,376	4,447
Total Deductions	678,791,008	53,352,503	732,143,511	612,221,530
<b>NET INCREASE</b>	<b>1,401,009,491</b>	<b>129,299,691</b>	<b>1,530,309,182</b>	<b>1,971,209,429</b>
<b>Net Assets Held in Trust for Pension Benefits</b>				
Beginning of Year	19,318,187,525	1,495,371,344	20,813,558,869	18,842,349,440
End of Year	\$ 20,719,197,016	\$ 1,624,671,035	\$ 22,343,868,051	\$ 20,813,558,869

# Notes to the Financial Statements

June 30, 2000 and 1999

## Note 1 — Plan Descriptions

The Board of Trustees of The Public School Retirement System administers two separate retirement systems, The Public School Retirement System (PSRS) and the Non-Teacher School Employee Retirement System (NTRS). The Board of Trustees consists of seven members, three of whom are elected PSRS active members, one an elected active member of NTRS and three persons appointed by the Governor, one of whom must be a retired member of either PSRS or NTRS.

The funds of the two systems are invested in conjunction with each other but each system retains title to its own investments. Each system's assets may be used only for the payment of benefits to the members of the separate system in accordance with the statutes governing that system.

### The Public School Retirement System

The Public School Retirement System of Missouri (PSRS) is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. The system also includes certificated employees of PSRS, Missouri State Teacher's Association, Missouri State High School Activities Association, and certain employees of the State of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989.

PSRS was established as an independent trust fund by an Act of the Missouri General Assembly effective August 1, 1945. Statutes governing the retirement system are found in Sections 169.010-169.141 and Sections 169.560-169.595 RSMo. It is a defined benefit plan providing service retirement, death and disability benefits to its members. Service retirement benefits vest after 5 years of creditable service. Members who retire with 5 years of service (on or after age 60), 25 years of service (on or after age 55) or 30 years of service are entitled to an allowance for life determined using a 2.5% formula factor. Members who qualify under the "rule of 80" (service credit and age total at least 80) can also retire using a 2.5% factor. Actuarially reduced retirement benefits are available with 5 to 24.9 years of service at age 55 or with 25 years of service (if not yet age 55). Members who have not yet reached age 55 and do not qualify under the "rule of 80" but who have between 25 and 29.9 years of credit may retire with a lesser benefit formula during a window that will close July 1, 2003. Annual cost-of-living adjustments (COLAs) are provided for eligible service and disability retirees and for surviving beneficiaries receiving payments under optional retirement plans, up to a lifetime maximum of 75% of the original benefit amount.

**Contributions** — PSRS members were required to contribute 10.5% of their annual covered salary during both fiscal years. The employing districts were required to match the contributions made by employees. The contribution rate is set each year by the Board of Trustees upon the recommendation of the independent actuary within the maximum contribution limit set in Section 169.030 RSMo. Administrative costs are financed through investment earnings. Contributions for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

**Members** — The number of PSRS membership and benefit recipients served by the system at June 30 was:

	<u>2000</u>	<u>1999</u>
Retirees and beneficiaries receiving benefits	27,238	25,748
Inactive members entitled to but not yet receiving benefits	3,852	3,684
Active members:     Vested	49,286	45,014
Non-vested	<u>22,420</u>	<u>25,078</u>
Total active members	71,706	70,092
Other inactive members	<u>3,887</u>	<u>3,593</u>
Total	<u>106,683</u>	<u>103,117</u>

**Employers** — PSRS had 548 contributing employers during both fiscal years.

### The Non-Teacher School Employee Retirement System

The Non-Teacher School Employee Retirement System of Missouri (NTRS) is a mandatory cost-sharing multiple employer retirement system for all public school district employees (except the school districts of St. Louis and Kansas City) and community college district employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours on a regular basis and who are not contributing members of The Public School Retirement System of Missouri (PSRS) must contribute to NTRS. Employees of PSRS who do not hold Missouri teaching certificates also contribute to NTRS.

NTRS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the retirement system are found in Sections 169.600 - 169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of NTRS on the Trustees of The Public School Retirement System.

NTRS is a defined benefit plan providing service retirement, death and disability benefits to its members. Service retirement benefits vest after 5 years of creditable service. Members who retire with 5 years of service (on or after age 60), 25 years of service (on or after age 55), or 30 years of service are entitled to an allowance for life. After June 30, 2000, members who qualify under the "rule of 80" (service credit and age total at least 80) may also retire under the full formula. Actuarially reduced retirement benefits are available with 5 years of service at age 55. Members who have not reached age 55 but who have between 25 and 29.9 years of credit may retire with a lesser benefit formula within a window that will end July 1, 2003. Annual cost-of-living adjustments (COLAs) up to a lifetime maximum of 75% of the original benefit amount are provided for eligible service and disability retirees and for surviving beneficiaries receiving payments under optional retirement plans.

**Contributions** — NTRS members were required to contribute 4.5% of their annual covered salary during 1999-2000 and 4.3% during 1998-99. The employing districts were required to match the contributions made by their employees. The contribution rate is set each year by the Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions in Section 169.620 RSMo. Administrative costs proportional to its membership size are reimbursed by NTRS to The Public School Retirement System and are financed through investment earnings.

**Members** — The number of NTRS membership and benefit recipients served by the system at June 30 was:

	<u>2000</u>	<u>1999</u>
Retirees and beneficiaries receiving benefits	13,061	12,461
Inactive members entitled to but not yet receiving benefits	2,184	1,889
Active members:     Vested	18,540	18,089
Non-Vested	<u>24,993</u>	<u>23,510</u>
Total active members	43,533	41,599
Other inactive members	<u>9,827</u>	<u>8,168</u>
Total	<u>68,605</u>	<u>64,117</u>

**Employers** — NTRS had 535 contributing employers during both fiscal years.

### **Note 2 — Summary of Significant Accounting Policies**

**Basis of Accounting** — The financial statements of both systems were prepared using the accrual basis of accounting. For both systems, member and employer contributions are required by state statute and are recognized in the period in which the employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the statutes governing the systems. Expenses are recognized when the liability is incurred, regardless of when payment is made.

**Deposits** — Cash includes the operating balances held by the depository banks. These deposits are fully insured by the FDIC and collateralized as required under Sections 169.045 and 169.640 RSMo at June 30, 2000 and 1999.

PSRS has an agreement with its depository bank to sweep available funds into an overnight repurchase agreement. The overnight repurchase agreement was for \$2,972,354 on June 30, 2000 and \$2,326,946 on June 30, 1999. These amounts were fully collateralized with insured or registered securities held by a third-party agent in the name of PSRS.

Likewise, NTRS has an overnight repurchase agreement with its depository bank. The overnight repurchase agreement was for \$1,910,774 on June 30, 2000 and for \$772,345 on June 30, 1999. These amounts were fully collateralized with insured or registered securities held by a third-party agent in the name of NTRS.

Short-term securities held by the custodial bank to meet future system obligations are classified as cash. PSRS had \$37,671,648 in such short-term investments at June 30, 2000 and \$67,500,658 at June 30, 1999. NTRS short-term investments were \$11,368,409 on June 30, 2000 and \$13,744,427 at June 30, 1999. These short-term securities are not required to be categorized as described in Note 4.

Short-term securities in portfolios where the primary purpose is to facilitate the placement of funds in long-term investments are classified as investments.

**Receivables** — Receivables consist primarily of contributions owed and yet to be remitted by the employing districts, pending investment trades and interest and dividends payable to the systems as of the end of each fiscal year.

**Method Used to Value Investments** — Investments are reported at fair value on a trade date basis. Securities traded on international exchanges are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value.

**Fixed Assets** — The building and most other fixed assets are owned by PSRS and are stated at cost less depreciation accumulated since acquisition. The stated value does not purport to represent replacement or realized value. Costs of major additions and improvements are capitalized. Expenditures for maintenance and repairs are charged to operations as incurred. Depreciation is calculated using the straight-line method, with estimated lives ranging from three to forty years in the following major classes: computers and software, three years; vehicles, five years; equipment, five years; building and land improvements, 15 years; building, 40 years.

NTRS owns office equipment purchased before 1997 and follows the same guidelines for depreciation. NTRS reimburses PSRS for the use of fixed assets used by the two systems on a proportional basis. The amount of this reimbursement was \$168,668 in 2000 and \$140,369 in 1999.

**Capital Lease** — PSRS entered into a three-year lease agreement during 1997-98 for a color copier. In 1998-99, an enhancement was added and recorded at the present value of the enhancement. These agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the lower of fair market value or the present value of the future minimum lease agreements. The future minimum lease obligations and the net present value of these payments as of June 30, 2000 were \$19,012.

**“Memorandum Only” Total Columns** — Total columns are presented to facilitate financial analysis. Data in these columns do not present plan net assets or changes in plan net assets in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation since interfund eliminations have not been made.

The financial statements include total column information for the prior fiscal year ended June 30, 1999. Such information for the prior year does not include sufficient, comparative detail by plan to constitute a presentation in conformity with generally accepted accounting principles, but has been presented for informational purposes.

### **Note 3 — Designations of Net Assets Held in Trust for Pension Benefits**

The systems designate the net assets held in trust for pension benefits for specific purposes:

**PSRS**

	<u>2000</u>	<u>1999</u>
<i>Designated for Members' Contributions (Member Reserves) —</i> Accumulation of active and terminated member contributions plus interest.	\$ 3,986,130,419	\$ 3,776,231,244
<i>Designated for the Payment of Benefits to Present Retirees —</i> Transfers from Member Reserves at retirement and an actuarially determined transfer from Operating Reserves to fund the system's obligation for benefit payments and cost-of-living adjustments to current retirees and beneficiary recipients.	7,800,384,625	6,601,538,782
<i>Designated for Additional Deposit Annuities —</i> Accumulation of the additional deposits over and above the contributions required by law. Defined contribution annuity payments are made to current retirees from this reserve.	1,460,237	1,609,558
<i>Designated for Operating Expenses/Benefits to Future Retirees</i> <i>(Operating Reserves) —</i> Accumulation of employer contributions and investment income used to fund future benefit payments, interest on member accounts and administration and maintenance expenses of the system.	8,931,221,735	8,938,807,941
Net Assets Held In Trust For Pension Benefits	<u>\$20,719,197,016</u>	<u>\$19,318,187,525</u>

**NTRS**

	<u>2000</u>	<u>1999</u>
<i>Designated for Members' Contributions (Member Reserves) —</i> Accumulation of active and terminated member contributions plus interest.	\$ 275,343,498	\$ 251,137,974
<i>Designated for the Payment of Benefits to Present Retirees —</i> Transfers from Member Reserves at retirement and an actuarially determined transfer from Operating Reserves to fund the system's obligation for benefit payments and cost-of-living adjustments to current retirees and beneficiary recipients.	467,652,620	396,846,296
<i>Designated for Operating Expenses/Benefits to Future Retirees</i> <i>(Operating Reserves) —</i> Accumulation of employer contributions and investment income used to fund future benefit payments, interest on member accounts and administration and maintenance expenses of the system.	881,674,917	847,387,074
Net Assets Held In Trust For Pension Benefits	<u>\$ 1,624,671,035</u>	<u>\$ 1,495,371,344</u>

**Note 4 — Investments**

**Authorization of Investments** — Funds for both systems that are in excess of a safe operating balance are invested by the investment agents under policies and procedures established by the Board of Trustees. Chapter 160.040 RSMo as amended effective August 13, 1984, authorizes any investment which a prudent person acting in a like capacity and familiar with similar matters would use in the conduct of an enterprise of a like character and with like aims. Any person with fiduciary responsibility with respect to the retirement systems is covered by this "prudent person" rule.

**Categories of Custodial Credit Risk** — The Governmental Accounting Standards Board Statement No. 3 requires disclosure of custodial credit risk. Category 1 includes investments that are insured or registered or for which the securities are held by the systems' custodial agent in the name of each system. Category 2 includes uninsured and unregistered investments for which the securities are held by the custodial agent in the systems' names. Category 3 includes uninsured and unregistered investments which are held by the custodial agent, but not in the systems' names.

A security for purposes of credit risk disclosure is a transferable financial instrument that evidences ownership or creditorship. "Securities" do not include investments made in open-end pooled funds or securities on loan to broker-dealers under the security lending program. Such investments are shown as "not categorized."



## PSRS

All categorized investments were in the risk category 1 for both fiscal years.

	June 30, 2000	June 30, 1999
Category 1 Investments		
Municipals	\$ 21,938,143	\$ 22,449,015
FHA/VA Mortgages	266	558
U.S. Government & Agencies Securities	2,891,837,666	2,064,237,342
Domestic Fixed Income	1,634,102,952	1,847,391,310
Domestic Equities	4,755,711,264	4,419,081,101
International Equities	2,054,427,428	1,682,584,716
REITS	4,914,625	2,234,325
Investments Not Categorized		
Loaned Under The Securities Lending Program		
U.S. Governmental and Agencies Securities	954,686,554	1,030,099,407
Domestic Corporate Fixed Income Securities	47,996,850	37,262,310
Domestic Equities	174,867,137	378,421,954
International Equities	413,942,585	465,757,327
Pooled Funds		
Domestic Corporate Fixed Income Securities	3,748,693,692	3,432,187,975
Domestic Equities	2,847,066,121	2,718,969,628
International Equities	820,221,122	772,864,846
Short Term Investments	747,777,936	281,731,482
Total Investments	21,118,184,341	19,155,273,296
Security Lending Collateral (not categorized)	1,591,493,126	1,911,540,996
Total	\$22,709,677,467	\$21,066,814,292
Deposits Not Categorized		
Short Term Investments	37,671,648	67,500,658

## NTRS

All categorized investments were in the risk category 1 for both fiscal years.

	June 30, 2000	June 30, 1999
Category 1 Investments		
Municipals	\$ 1,692,116	\$ 1,735,269
U.S. Government & Agencies Securities	206,133,581	150,222,498
Domestic Fixed Income	124,337,547	142,586,162
Domestic Equities	362,847,272	334,776,979
International Equities	163,627,077	141,571,176
REITS	499,525	167,400
Investments Not Categorized		
Loaned Under The Securities Lending Program		
U.S. Governmental and Agencies Securities	99,227,570	92,030,019
Domestic Fixed Income	3,182,521	-
Domestic Equities	16,262,913	25,964,819
International Equities	28,682,423	23,587,657
Pooled Funds		
Domestic Corporate Fixed Income Securities	290,094,567	263,933,829
Domestic Equities	220,374,128	209,364,680
International Equities	63,467,911	59,393,770
Short Term Investments	66,875,930	29,703,765
Total Investments	1,647,305,081	1,475,038,023
Security Lending Collateral (not categorized)	147,355,427	141,582,495
Total	\$1,794,660,508	\$1,616,620,518
Deposits Not Categorized		
Short Term Investments	11,368,409	13,744,427

**Derivatives** — The retirement systems are parties to certain financial investments with off-balance sheet risk used in the normal course of business to generate earnings and reduce exposure to fluctuations in market conditions. International security managers are authorized to engage in forward contracts to exchange different currencies at a specified date and rate. These forward contracts involve elements of custodial and market risk in excess of the amount recognized in the Statement of Plan Net Assets. The forward exchange contracts purchased/sold in effect at June 30 are shown below.

<u>2000</u>	<u>Purchase Value</u>	<u>Fair Value</u>
PSRS	\$ 95,669,597	\$ 95,796,542
NTRS	8,046,598	8,054,715
<u>1999</u>	<u>Purchase Value</u>	<u>Fair Value</u>
PSRS	\$ 95,787,281	\$ 96,624,650
NTRS	7,357,010	7,421,938

The "Net Appreciation in Fair Value of Investments" found on the Statement of Changes in Plan Net Assets includes for PSRS a net loss on forward contracts and currency disposal of \$3,090,097 during 1999-2000 and \$15,547,418 during 1998-99. NTRS had a similar net loss of \$214,973 during 1999-2000 and \$1,191,061 in 1998-99.

The retirement systems also participate in three pooled index funds that use off-balance-sheet financing instruments. The derivatives in the S&P 500 index fund are S&P 500 futures and those in the Russell 1000 Value Fund are S&P Barra Value futures, both of which are used to accommodate cash flows and to equitize receivables while maintaining tight tracking to the index. The derivatives in the developed country portion of the ACWI World ex-U.S. Fund are also index futures used for the same purposes as in the domestic equity fund. In some emerging market countries, equity swaps are used to achieve part of the exposure. As of June 30, 2000, these off-balance-sheet financial instruments comprised 0.82% of the \$82.5 billion S&P 500 Index Fund, 2.5% of the \$5.5 billion Russell 1000 Value Fund, and 1.88% of the \$31.7 billion ACWI World ex-U.S. Fund. PSRS' participation in these funds was 2.92%, 11.51%, and 2.57%, respectively. The NTRS exposure was 0.23%, 0.89%, and 0.20%.

On June 30, 1999 the S&P 500 Index Fund had \$77.3 billion in assets of which 5.98% was in derivatives and the ACWI World ex-U.S. fund had \$27.7 million in assets with 2.12% held in derivatives. PSRS' exposure at that date in the S&P 500 Index Fund was 3.07% and in the ACWI World ex-U.S. fund was 2.52%. NTRS' exposure was 0.24% and 0.19% respectively.

Neither the percentages of participation in the funds nor the funds' exposure to derivatives differed substantially from the June 30 figures throughout either year.

**Security Lending Activity** – Under the "prudent person" authority of the governing statutes and in accordance with the policies set by the Board of Trustees, the systems lend securities to broker-dealers and banks pursuant to a form of loan agreement. The systems' custodial bank is authorized to lend available securities to approved broker-dealers and banks subject to the receipt of acceptable collateral.

During the fiscal year, the systems lent securities and received cash (both U.S. and foreign currency), securities issued or guaranteed by the U.S. government or its agencies, sovereign debt of foreign countries, and irrevocable bank letters of credit as collateral. The systems did not have the ability to pledge or sell noncash collateral absent borrower default. Borrowers were required to deliver collateral for each loan equal to: (1) in the case of loaned securities denominated in U.S. dollars or whose primary trading market was located in the United States, or sovereign debt issued by foreign governments, 102% of the fair value of the loaned securities; and (2) in the case of loaned securities not denominated in U.S. dollars or whose primary trading market was not located in the United States, 105% of the fair value of the loaned securities.

The systems did not impose any restrictions during the fiscal year on the amount of the loans that the custodial bank made on their behalf. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the year. There were no losses during the year resulting from a default of the borrowers or the custodial bank.

The systems and borrowers each maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders in a collective investment pool. The average duration of such investment pool as of June 30, 2000 was 74 days and an average weighted maturity of 485 days. Because the loans were terminable at will, their duration did not match the duration of the investments made with cash collateral. On June 30, 2000 the systems had no credit risk exposure to borrowers because the amounts the systems owe the borrowers exceed the amounts the borrowers owe the systems.

The collateral held (including both cash collateral recognized in the "Statement of Plan Net Assets" and non-cash collateral) and the fair value of securities on loan for PSRS were \$1,791,900,256 and \$1,736,958,631 for June 30, 2000 and \$2,064,225,277 and \$2,010,367,527 for June 30, 1999. Net security lending income was \$9,622,204 for the 1999-2000 fiscal year and \$10,633,010 for the 1998-99 fiscal year.

The collateral held (including both cash collateral recognized in the "Statement of Plan Net Assets" and non-cash collateral) and the fair value of securities on loan for NTRS were \$158,036,140 and \$154,272,485 for June 30, 2000 and \$151,516,993 and \$148,017,519 for June 30, 1999. Net security lending income was \$767,733 for the 1999-2000 fiscal year and \$813,140 for the 1998-99 fiscal year.

The collective investment pool in which the collateral received from security lending loans is invested has the following characteristics. The fair value of the investments held by the pooled fund is based upon valuations provided by a recognized pricing service. Because the pooled fund does not meet the requirements of Rule 2a-7 of the Investment Company Act of 1940, the fund's investments are valued at fair market value for reporting purposes. The pooled fund is not registered with the Security and Exchange Commission. The custodial bank and, consequently, the investment vehicles it sponsors (including the pooled fund) are subject to the oversight of the Federal Reserve Board and the Massachusetts Commissioner of Banks. The fair value of the systems' position in the pooled fund is not the same as the value of the fund shares. The systems had no involuntary participation in an external investment pool through this fund and no income from one fund was assigned to another fund by the custodial bank during either fiscal year.

#### **Note 5 – Additional Deposits Program**

Section 169.035 RSMo provides for an additional deposits program for PSRS members. Members may make payments above the required defined benefit contribution amount to the retirement system in order to provide a monthly annuity at retirement based on the total of the deposits and interest.

This annuity is in addition to the defined benefit allowance provided by the system. Contributions to the program are tax-sheltered. As of September 1, 1996 new deposits to the program were limited to members currently with deposits in the program. No additional deposits were made during 1999-2000. The deposits and interest of the five members who have not yet retired totaled \$10,722 as of June 30, 2000.

The deposits to the program are included in the investment program of the PSRS defined benefit plan. The additional deposits, program's basis of accounting, and the asset valuation are identical to the defined benefit plan.

#### **Note 6 – Retirement Plan**

All full-time retirement system employees holding a valid Missouri teaching certificate are covered by PSRS. All other eligible employees are members of NTRS. Both systems provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 169 RSMo contains the statutory provisions of both systems.

PSRS members were required to contribute 10.5% of their annual covered salary during both years. PSRS, as the employer, was required to match that amount. The contribution rate is established and may be amended by the Board of Trustees. Employer contributions to PSRS totaled \$55,447 for the 1999-2000 fiscal year and \$45,275 for 1998-99. The amounts for these years are equal to the required contributions.

NTRS members were required to contribute 4.5% of their annual covered salary during 1999-2000 and 4.3% during 1998-99. PSRS, as the employer, was required to match that amount. The contribution rate is established and may be amended by the Board of Trustees. Employer contributions to NTRS totaled \$96,440 for the 1999-2000 fiscal year and \$92,123 for 1998-99. The amounts for these years are equal to the required contributions.

**Note 7 — Risk Management**

The retirement systems are exposed to various risks of loss related to natural disasters, errors and omissions, loss of assets, torts, etc. The systems have chosen to cover such losses through the purchase of commercial insurance. There have been no material insurance claims filed or paid during the past three years.

The systems have a disaster recovery plan that provides for continued computer operations at a remote location should the retirement office be unavailable for normal operations.

**Note 8 – Commitments and Contingencies**

PSRS was committed to the future purchase of investments at a cost of \$1,676,347,259 on June 30, 2000 and to the future purchase of \$589,338,554 in investments on June 30, 1999. NTRS had investment commitments of \$133,209,698 on June 30, 2000 and \$44,670,083 on June 30, 1999.

Certain legal proceedings are pending against PSRS arising from normal activities which, based on the advice of legal counsel, will not have a material effect on the financial statements.

## Schedules of Funding Progress

### Required Supplementary Information

#### Public School Retirement System

(Dollar amount in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)—Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
6/30/95	\$ 10,193,084	\$ 10,981,822	\$ 788,738	92.8%	\$ 2,137,134	36.9%
6/30/96	11,510,625	12,231,746	721,121	94.1%	2,283,994	31.6%
6/30/97	13,099,219	12,449,178 <sup>1</sup>	(650,041)	105.2%	2,427,429	-26.8%
6/30/98	14,979,358	14,471,049 <sup>2</sup>	(508,309)	103.5%	2,577,594	-19.7%
6/30/99	17,209,870	16,373,144 <sup>3</sup>	(836,726)	105.1%	2,690,353	-31.1%
<b>6/30/00</b>	<b>\$ 19,437,223</b>	<b>\$ 18,279,113</b>	<b>\$ (1,158,110)</b>	<b>106.3%</b>	<b>\$ 2,836,062</b>	<b>-40.8%</b>

<sup>1</sup> Assumptions used to calculate salary growth and COLA increases for retirees were revised.

<sup>2</sup> Legislative improvements to the benefit formula and to retiree's benefits added \$1.1 billion to the AAL.

<sup>3</sup> Legislative improvement to age of retirement eligibility ("Rule of 80") and ad hoc benefit increase to retirees added \$982.5 million to the AAL.

#### Non-Teacher School Employee Retirement System

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)—Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
6/30/95	\$ 778,325	\$ 786,399	\$ 8,074	99.0%	\$ 495,449	1.6%
6/30/96	876,886	879,561	2,675	99.7%	538,022	0.5%
6/30/97	1,001,035	964,212 <sup>1</sup>	(36,823)	103.8%	556,534	-6.6%
6/30/98	1,150,311	1,036,347 <sup>2</sup>	(113,964)	111.0%	616,303	-18.5%
6/30/99	1,335,308	1,168,511 <sup>3</sup>	(166,797)	114.3%	685,272	-24.3%
<b>6/30/00</b>	<b>\$ 1,522,660</b>	<b>\$ 1,395,300</b>	<b>\$ (127,360)</b>	<b>109.1%</b>	<b>\$ 735,400</b>	<b>-17.3%</b>

<sup>1</sup> Assumptions used to calculate salary growth and COLA increases for retirees were revised.

<sup>2</sup> Legislative improvements to the lifetime COLA limit, 25 and out benefit eligibility period and an ad hoc benefit increase for retirees added \$13.7 million to the AAL.

<sup>3</sup> Legislative improvements to the benefit formula and to retiree's benefits added \$80.3 million to the AAL.



## Schedules of Employer Contributions

Required Supplementary Information

### Public School Retirement System

Year Ended June 30	Annual Required Contribution	Percentage Contributed
1995	\$ 211,865,902	100%
1996	238,630,542	100%
1997	251,957,622	100%
1998	273,125,719	100%
1999	287,698,736	100%
<b>2000</b>	<b>\$ 304,944,352</b>	<b>100%</b>

### Non-Teacher School Employee Retirement System

Year Ended June 30	Annual Required Contribution	Percentage Contributed
1995	\$ 19,248,692	100%
1996	20,966,576	100%
1997	24,393,542	100%
1998	27,315,729	100%
1999	30,012,859	100%
<b>2000</b>	<b>\$ 34,185,605</b>	<b>100%</b>

### Notes to the Schedules of Trend Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2000
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent, Open
Remaining amortization period	N/A
Asset valuation method	5-year smoothed market
Actuarial Assumptions:	
Investment rate of return	8.0%
Projected salary increases*	
<b>PSRS</b>	5.0 - 10.5%
<b>NTRS</b>	5.0 - 9.5%
*Includes inflation at	3.5%
Cost-of-living adjustments	3.5%

## Schedule of Administrative Expenses

for the year ended June 30, 2000

	PSRS	NTRS	TOTAL (Memorandum Only)
<b>Personal Services</b>	\$ 2,074,903	\$ 1,138,318	\$ 3,213,221
<b>Professional Services</b>			
Actuarial	70,827	48,399	119,226
Audit	23,328	13,372	36,700
Accounting Consultants	734	431	1,165
Computer Consultants	7,733	4,541	12,274
Insurance Consultant	2,646	1,554	4,200
Legislative Consultant	11,340	6,660	18,000
Legal Expenses	44,435	3,933	48,368
Total Professional Services	161,043	78,890	239,933
<b>Communications</b>			
Information and Publicity Expense	291,846	185,348	477,194
Postage Expenses	76,356	43,978	120,334
Printing Expenses	27,321	37,695	65,016
Staff Field Expenses	28,277	17,906	46,183
Telephone Expenses	65,681	38,573	104,254
Total Communications Expenses	489,481	323,500	812,981
<b>Miscellaneous Expenses</b>			
Building and Utilities Expense	48,573	28,529	77,102
Board of Trustees Expense	35,301	20,703	56,004
Insurance Expense	67,777	39,804	107,581
Office Expenses	110,911	71,007	181,918
Staff Development Expenses	58,221	31,739	89,960
Miscellaneous	65,951	18,128	84,079
Total Miscellaneous Expenses	386,734	209,910	596,644
<b>Charge For Use of Fixed Assets</b>	-	168,668	168,668
<b>Depreciation Expense</b>	597,756	179	597,935
<b>Total Administrative Expenses</b>	<u>\$ 3,709,917</u>	<u>\$ 1,919,465</u>	<u>\$ 5,629,382</u>

## Schedule of Investment Expenses

for the year ended June 30, 2000

	PSRS	NTRS	TOTAL (Memorandum Only)
<b>Investment Management Expenses</b>			
U.S. Equity	\$ 9,432,000	\$ 711,917	\$ 10,143,917
International Equity	6,207,200	467,916	6,675,116
U.S. Fixed Income	3,157,210	237,640	3,394,850
<b>Total Investment Management Expenses</b>	<u>18,796,410</u>	<u>1,417,473</u>	<u>20,213,883</u>
Investment Consultant Fees	218,912	16,477	235,389
Custodial Bank Fees	1,105,239	83,190	1,188,429
Investment Staff Expenses	<u>290,608</u>	<u>163,346</u>	<u>453,954</u>
<b>Total Investment Expenses</b>	<u>\$ 20,411,169</u>	<u>\$ 1,680,486</u>	<u>\$ 22,091,655</u>
<b>Securities Lending Expenses</b>			
Agent Fees	\$ 2,145,836	\$ 173,142	\$ 2,318,978
Broker Rebates	92,699,345	7,766,633	100,465,978
<b>Total Securities Lending Expenses</b>	<u>\$ 94,845,181</u>	<u>\$ 7,939,775</u>	<u>\$ 102,784,956</u>



# *Investment Section*



*Report from Strategic Investment Solutions, Inc.*

*Letter from the Chief Investment Officer*

*Investment Highlights*

*PSRS/NTRS Asset Allocation*

*Total Fund Review*

*Asset Class Fund Reviews*

*Broker Commission Reports*

*Investment Summary and Expenses*

The Public School &  
The Non-Teacher School Employee



## STRATEGIC INVESTMENT SOLUTIONS, INC.

601 CALIFORNIA STREET, STE. 200  
SAN FRANCISCO, CALIFORNIA 94108

MICHAEL R. BEASLEY  
MANAGING DIRECTOR

TEL 415/362-3484  
FAX 415/362-2752

October 23, 2000

To the Members of the Board:

I am pleased to report that the performance of the Systems' investments for Fiscal Year 2000 was good. The world financial markets were very unsettled during the fiscal year. While the PSRS/NTRS investments have been structured to control excessive risk, the System's assets were not immune to the volatility in the U.S. markets during this fiscal period.

The Total Fund return for the fiscal year ended June 30, 2000 for PSRS was 7.7 percent, and 11.9 percent for the past three years. The NTRS returned 7.7 percent for the fiscal year, and 11.8 percent for the past three years. Both funds slightly trailed the policy index for the fiscal year and for the three-year period. The PSRS Total Fund slightly trailed its 8.0 percent actuarial target for the fiscal year, but exceeded it by 3.9 percent for the three-year period. The NTRS Total Fund also slightly trailed the 8.0 percent actuarial target return, but exceeded it by 3.8 percent for the three-year period.

Asset class performance for the fiscal year was mixed. The U.S. equity return for PSRS was 5.9 percent, and 6.0 percent for NTRS, while both funds recorded a 4.5 percent return for the fixed income assets. The international equity return for PSRS was 22.7 percent, and 22.8 percent for NTRS. All performance results were calculated in compliance with AIMR Performance Presentation Standards.

The above average growth of the Systems' assets has compelled us to take the steps needed to manage this welcomed growth. The implementation of the E-MAP program (a domestic equity fund with several "smaller" managers) should help to continue the efforts to diversify the overall risk and improve the prospects of maintaining competitive returns.

Sincerely,



Michael R. Beasley  
Managing Director



The Public School &  
The Non-Teacher School Employee



**Craig Husting**  
Chief Investment Officer  
(Ext. 167)

**John Tuck**  
Senior Investment Officer  
(Ext. 178)

**Susan Conrad**  
Investment Officer  
(Ext. 191)

**Genny Eichelberger**  
Investment Assistant  
(Ext. 195)

November 1, 2000

**To the Members of the System:**

On behalf of the PSRS and NTRS internal investment staff, I am pleased to present the following reports on the Systems' investments for the fiscal year ending June 30, 2000. The combined PSRS and NTRS Retirement Systems ended the year as one of the 50 largest defined benefit plans in the United States with total invested assets of \$22.2 billion. The total assets invested in the financial markets for both Systems increased by approximately \$1.5 billion from the previous fiscal year.

The Total Fund performance for the fiscal year ending June 30, 2000, was 7.7 percent for both PSRS and NTRS while the Total Fund performance for the five-year period was 13.6 percent for PSRS and 13.5 percent for NTRS. The Systems' basic investment objective is to achieve a total return that exceeds the actuarial assumption of 8.0 percent over rolling five-year periods. Thus, while PSRS and NTRS fell short of the 8.0 percent assumption this past year, the objective was clearly achieved over the most recent five-year period. The excellent long-term results are due, for the most part, to the ability of the Board of Trustees to operate under long-term policies. This long-term focus allows the Board to adhere to sound investment principles during periods of short-term volatility (such as this past fiscal year) when the markets have lower or even negative returns.

In addition to meeting an investment objective of 8.0 percent, the Systems also expect that over the long term, both PSRS and NTRS will produce returns comparable to those of other public pension funds. The Systems have accomplished this goal as well. The one-year, three-year and five-year returns for both PSRS and NTRS ranked in the top 60.0 percent of the Independent Consultants Cooperative Universe of public funds. Thus, the Systems investment returns over the last several years were better than 40.0 percent of the 85 funds in a relative peer group, despite a more conservative asset allocation. In simple terms, PSRS and NTRS earned investment returns comparable to other public funds while accepting lower levels of risk.

The main determinant of a pension fund's long-term success is related to its asset allocation. The Board of Trustees adopted an asset allocation of 47.0 percent fixed income, 38.0 percent domestic equities and 15.0 percent international equities in 1995. Within that asset allocation, the internal staff and the external asset consultant, Strategic Investment Solutions (SIS), have worked to further diversify the fund by style and investment strategy. This diversified investment approach has provided the Systems with consistent risk adjusted returns. The resurgence of the international equity markets in fiscal year 2000, after several years of strong large capitalization domestic equity performance, underscores the importance of diversification for

funds with longer time horizons as a means for moderating risks. For example, in the PSRS and NTRS portfolios this past fiscal year, international stocks soared (up over 22.7 percent for both Systems) while domestic stocks and bonds were disappointments (returns below 6.0 percent).

The internal investment staff and SIS regularly review various aspects of the investment program to ensure that every effort is made to achieve the highest return possible commensurate with an acceptable level of risk at a reasonable cost. To that end, the money market portfolio, which was being managed by an outside service provider, was moved to internal staff in fiscal year 2000. This internalization of a portion of the Systems' assets has resulted in significant cost savings to both PSRS and NTRS. Additionally, staff, in conjunction with SIS, hired seven "smaller" U.S. stock managers to create an equity manager "fund of funds" this past year. It is anticipated that this fund will offer diversification benefits to the existing domestic equity structure while providing the opportunity for excess returns.

The Systems have benefited significantly from the increase in assets over the past decade. Although the extraordinary returns of recent years have begun to moderate, we do anticipate a continuation of the growth in the size and the health of the Systems through continued investments in the capital markets. I look forward to the new millennium and the opportunities that it will bring to further strengthen and build your Retirement Systems.

Sincerely,



Craig A. Husting, CFA  
Chief Investment Officer

## Investment Highlights

Through June 30, 2000

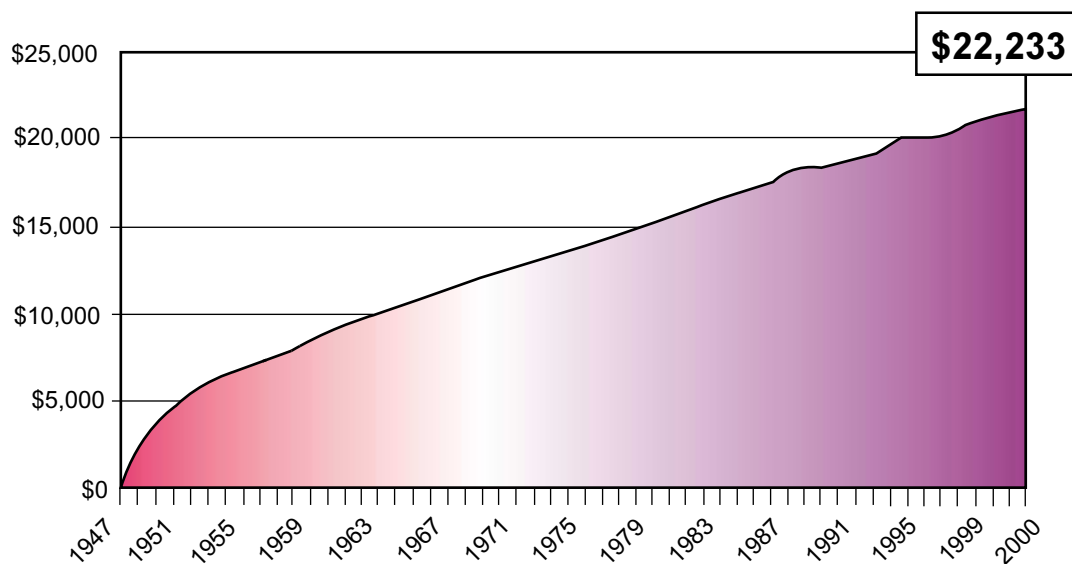
The Board of Trustees of The Public School & the Non-Teacher School Employee Retirement Systems (PSRS and NTRS) is charged with the responsibility of investing the assets of the Systems in a manner consistent with the fiduciary standards set forth in the "prudent man" rule. To that end, the Board has adopted the following principles to guide all investment-related decisions:

- (1) Act in exclusive interest of the members of the System,
- (2) Maximize total return within prudent risk parameters,
- (3) Preserve the long-term purchasing power of the fund.

The investment portfolios of PSRS and NTRS represent all contributions to the plans, from both members and their employers, as well as all net earnings on these assets. These funds are held in support of both future and current liabilities. Total assets as of June 30, 2000 grew to \$22.2 billion from \$20.7 billion as of June 30, 1999, increasing by approximately \$1.5 billion. The growth in assets since the inception of PSRS in 1946 and NTRS in 1965 is shown in the graph below.

### 53 Years of Growth

(dollar amounts in millions)



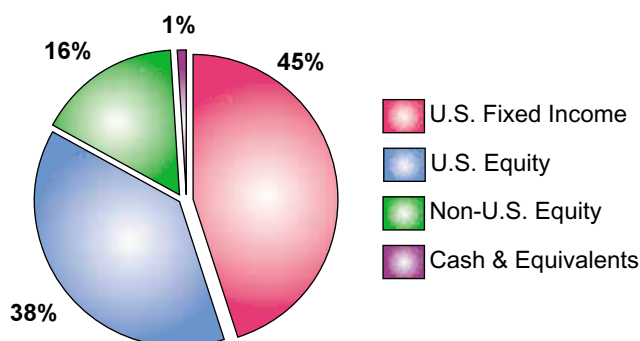
## PSRS/NTRS Asset Allocation

As of June 30, 2000

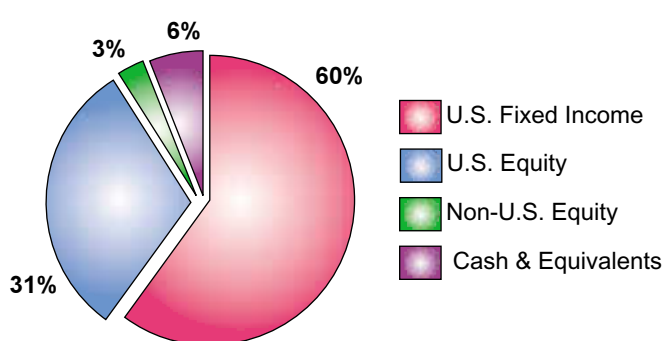
The time horizon of the Systems' investment portfolio reflects the long-term nature of the PSRS/NTRS pension obligations. Accordingly, diversification among investments displaying unique risk and return characteristics provides the framework for selecting an asset allocation that is expected, in the aggregate, to give the funds the highest long-term return within a prudent risk level.

In late 1995, the Board adopted a set of asset allocation targets that increased the exposure to domestic and non-U.S. equities. Those targets were reaffirmed in 1998. The pie charts below demonstrate the evolutionary nature of the asset allocation by presenting the current asset mix of the portfolio for comparison with that of five years ago on a market value basis.

**ASSET ALLOCATION 6/30/00**



**ASSET ALLOCATION 6/30/95**



Asset Type	PSRS Market Value	NTRS Market Value	Combined Funds	Percent of Total	Target Allocation
U.S. Fixed Income	\$ 9,368,515,809	\$ 730,076,091	\$ 10,098,591,900	45.4%	47.0%
U.S. Equity	7,784,940,520	600,167,073	8,385,107,593	37.7%	38.0%
Non-U.S. Equity	3,293,181,226	256,116,529	3,549,297,755	16.0%	15.0%
Cash & Equivalents	169,085,829	30,940,500	200,026,329	0.9%	0.0%
<b>Total Investments*</b>	<b>\$ 20,615,723,384</b>	<b>\$ 1,617,300,193</b>	<b>\$ 22,233,023,577</b>	<b>100%</b>	<b>100%</b>

\* Total investments include accrued income and exclude securities lending collateral.

## Total Fund Review

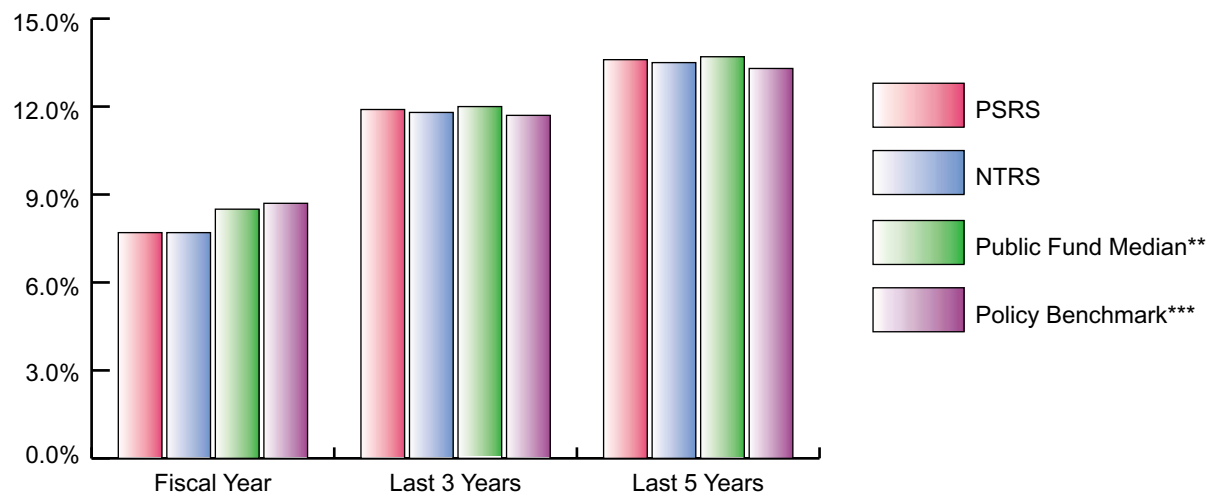
Periods Ended June 30, 2000

### Total Fund Investment Returns\*

The Board has established a long-term goal to achieve a total investment return of at least 8.0 percent per year, or a real rate of return of at least 4.5 percent per year. The real rate of return is the rate by which the long-term total return exceeds the inflation rate.

The one-year total return for both PSRS and NTRS fell just below the long-term investment objective of 8.0 percent. However, over the past five years, the annualized investment return of 13.6 percent for PSRS and 13.5 percent for NTRS far exceeded the 8.0 percent objective.

	Fiscal Year	Last 3 Years	Last 5 Years
<b>PSRS</b>	7.7%	11.9%	13.6%
<b>NTRS</b>	7.7%	11.8%	13.5%
<b>Public Fund Median **</b>	8.5%	12.0%	13.7%
<b>Policy Benchmark ***</b>	8.7%	11.7%	13.3%



\* Returns were prepared using a time-weighted return in accordance with AIMR's Performance Presentation Standards.

\*\* The Public Fund Median is the median return for a large group of Public Funds monitored by the PSRS/NTRS external asset consultant Strategic Investment Solutions, Inc.

\*\*\* The policy benchmark is comprised of 38% Russell 3000 Index, 47% Lehman Aggregate Index, and 15% MS All Country World – ex U.S. Free Index.

## Fixed Income Review

As of June 30, 2000

### Market Value

As of June 30, 2000, the combined PSRS and NTRS fixed income portfolio had a market value of just over \$10 billion, representing 45.4 percent of the total funds.

### Fixed Income Statistics

The following table displays the statistical characteristics of the PSRS/NTRS bond portfolio as of June 30, 2000 with comparisons shown to the portfolio's policy benchmark (Lehman Aggregate). Additionally, the top ten fixed income holdings as of June 30, 2000 are compared to the top ten holdings of five years ago.

Characteristics	Combined Systems	Lehman Aggregate Index
Number of Securities	6,882	5,632
Average Coupon	6.8%	7.0%
Yield to Maturity	7.3%	7.2%
Average Maturity (Years)	8.9	8.5
Duration Years	5.0	4.9

Top Ten Largest Holdings* June 30, 2000	Combined Market Value	% of Total Bonds	Top Ten Largest Holdings* June 30, 1995	Combined Market Value	% of Total Bonds
USTB, 6.25%, 8/15/23	\$ 225,932,216	2.2%	USTB, 7.50%, 11/15/16	\$ 620,587,500	9.1%
USTB, 6.13%, 2/15/11	\$ 127,017,188	1.2%	USTB, 7.25%, 5/15/16	\$ 510,048,000	7.5%
FNMA TBA AUG 30, 7%	\$ 124,790,772	1.2%	USTN, 3.88%, 9/30/95	\$ 446,037,760	6.5%
USTN, 5.75%, 10/31/02	\$ 114,572,281	1.1%	USTN, 8.75%, 10/15/97	\$ 395,876,415	5.8%
USTN, 7.15%, 2/15/05	\$ 101,431,813	1.0%	USTN, 6.88%, 2/28/97	\$ 248,981,250	3.7%
USTN, 5.75%, 6/30/01	\$ 77,415,000	0.8%	USTN, 6.50%, 4/30/97	\$ 247,795,450	3.6%
GNMA TBA AUG 30, 7.5%	\$ 75,902,535	0.8%	USTN, 4.25%, 7/31/95	\$ 216,763,470	3.2%
FNMA TBA AUG 30, 6.5%	\$ 70,781,750	0.7%	USTB, 7.13%, 2/15/23	\$ 189,646,200	2.8%
GNMA TBA AUG 30, 8%	\$ 68,435,964	0.7%	USTB, 6.25%, 8/15/23	\$ 170,015,400	2.5%
GNMA TBA AUG 30, 7%	\$ 67,900,000	0.7%	USTB, 7.63%, 2/15/25	\$ 141,171,250	2.1%
<b>TOTAL</b>	<b>\$ 1,054,179,519</b>	<b>10.4%</b>	<b>TOTAL</b>	<b>\$ 3,186,922,695</b>	<b>46.8%</b>

### Key to Holdings

USTN = U.S. Treasury Note  
USTB = U.S. Treasury Bond

GNMA = Government National Mortgage Association  
FNMA = Federal National Mortgage Association

\* Includes only actively managed separate accounts.

A complete list of portfolio holdings is available upon request.



## Fixed Income Review

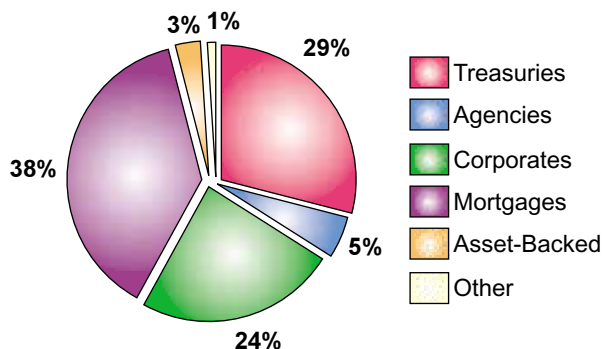
As of June 30, 2000

### Fixed Income Structure

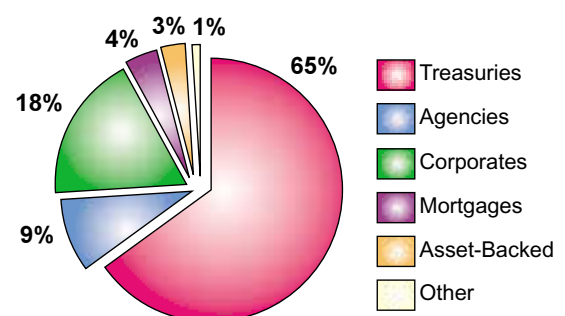
As of June 30, 2000, 40.0 percent of the PSRS/NTRS fixed income portfolio was passively managed by State Street Global Advisors while the remaining 60.0 percent was managed actively by four separate external managers. The basic fixed income portfolio structure was implemented in July 1996. There was one strategic investment change in February 2000 when the Board selected a "core plus" bond manager to further diversify the fixed income portfolio. The "core plus" assignment allows an external investment manager to invest in all major sectors of the fixed income market within defined guidelines.

The pie charts below depict the fixed income composite by showing the current sector allocation of the portfolio compared with that of five years ago on a market value basis.

**SECTOR ALLOCATION 6/30/00**



**SECTOR ALLOCATION 6/30/95**



### Fixed Income Investment Advisors

The following firms were under contract with PSRS/NTRS during all or some portion of FY 00 for management of fixed income securities.

Investment Advisor	Combined Portfolio Market Value Investment Style	Market Value	% of Total As of June 30, 2000
Agincourt Capital Management	Active Core	\$ 0	0.0%
BlackRock Financial Management	Active Mortgages	\$ 1,518,889,767	6.8%
NISA Investment Advisors	Active Core	\$ 1,555,673,958	7.0%
Payden & Rygel	Active Core Plus	\$ 1,441,522,185	6.5%
Sovran Capital Management	Active Core	\$ 0	0.0%
State Street Global Advisors	Passive	\$ 4,038,788,261	18.2%
State Street Global Advisors	Interim Account	\$ 6,805,538	0.0%
Wellington Management Company	Active Core	\$ 1,540,049,267	6.9%
<b>Total</b>		<b>\$ 10,101,728,976</b>	<b>45.4%</b>

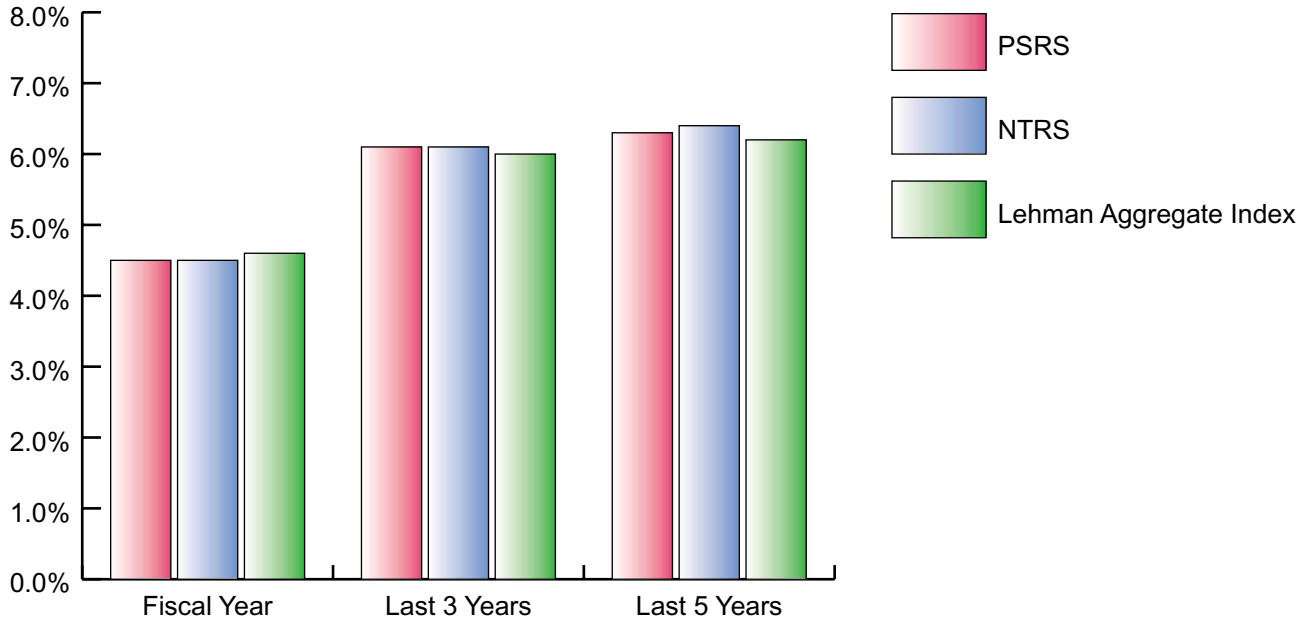
## Fixed Income Review

Periods Ended June 30, 2000

### Fixed Income Returns

The total return on the PSRS and NTRS bond portfolios for the fiscal year was 4.5 percent, slightly below the program's benchmark of 4.6 percent. This below-average performance was caused by a moderate increase in interest rates and wider credit and liquidity risk premiums. Over the five-year period ending June 30, 2000, PSRS has returned 6.3 percent and NTRS 6.4 percent compared to the benchmark return of 6.2 percent.

	Fiscal Year	Last 3 Years	Last 5 Years
<b>PSRS</b>	4.5%	6.1%	6.3%
<b>NTRS</b>	4.5%	6.1%	6.4%
<b>Lehman Aggregate Index</b>	4.6%	6.0%	6.2%



## Domestic Equity Review

As of June 30, 2000

### Market Value

As of June 30, 2000, the combined PSRS and NTRS domestic equity portfolio had a market value of almost \$8.4 billion, representing 37.7 percent of the total funds.

### Domestic Equity Statistics

The following table displays the statistical characteristics of the PSRS/NTRS domestic equity portfolio as of June 30, 2000 with comparisons shown to the portfolio's policy benchmark (Russell 3000). Additionally, the top U.S. stock holdings as of June 30, 2000 are compared to the top ten holdings of five years ago.

Characteristics	Combined Systems	Russell 3000 Index
Number of Securities	4,224	3,000
Dividend Yield	1.1	1.1
Price-to-Earnings Ratio	27.1	30.2
Avg. Market Capitalization	\$114 bil.	\$121 bil.
Price-to-Book Ratio	9.7	10.7

Top Ten Largest Holdings* June 30, 2000	Combined Market Value	% of Total U.S. Equities	Top Ten Largest Holdings* June 30, 1995	Combined Market Value	% of Total U.S. Equities
Intel Corp	\$ 153,136,358.00	1.8%	Boeing Co	\$ 68,806,088	2.0%
Cisco Systems	\$ 134,634,083.00	1.6%	Raytheon Co	\$ 62,154,338	1.8%
Dell Computer	\$ 111,166,254.00	1.3%	AT&T Corp	\$ 59,890,000	1.7%
Microsoft Corp	\$ 110,137,280.00	1.3%	Archer Daniels Midland Co	\$ 56,852,813	1.6%
Pfizer Inc	\$ 103,959,408.00	1.2%	Fannie Mae	\$ 51,511,950	1.5%
General Electric Co	\$ 100,922,918.00	1.2%	Anheuser Busch Cos	\$ 54,088,125	1.5%
Home Depot Co	\$ 88,300,037.00	1.1%	Intel Corp	\$ 46,661,681	1.3%
Wal Mart Stores Corp	\$ 87,081,229.00	1.0%	General Electric Co	\$ 45,252,213	1.3%
Amgen Inc	\$ 65,097,865.00	0.8%	Sara Lee Corp	\$ 48,108,000	1.4%
Applied Materials	\$ 59,556,031.00	0.7%	Ford Motor Co	\$ 42,697,200	1.2%
<b>TOTAL</b>	<b>\$ 1,013,991,463.00</b>	<b>12.0%</b>		<b>\$ 536,022,408</b>	<b>15.3%</b>

\* Includes only actively managed separate accounts.

A complete list of portfolio holdings is available upon request.

## Domestic Equity Review

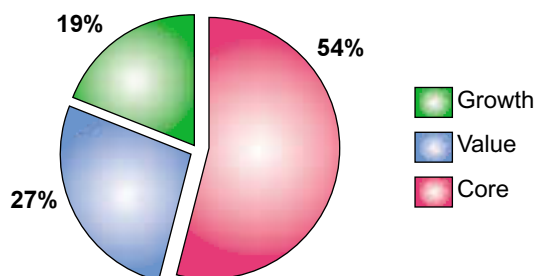
As of June 30, 2000

### Domestic Equity Structure

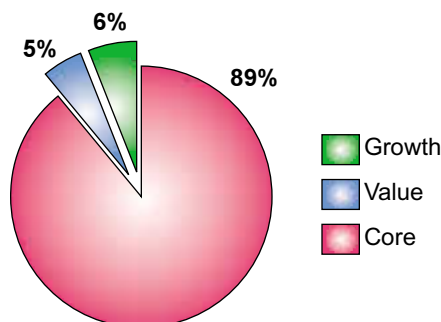
As of June 30, 2000, 40.0 percent of the PSRS/NTRS domestic equity portfolio was passively managed. Another 19.0 percent was managed in an enhanced index style, in which the managers' guidelines permitted limited flexibility with the expectation of capturing additional return relative to the benchmark. The remainder of the portfolio was actively managed and diversified across a broad range of investment styles. The basic domestic equity portfolio structure was implemented in July 1996.

The pie charts below depict the domestic equity portfolio by presenting the current asset mix (by style) of the portfolio for comparison with that of five years ago on a market value basis.

*ASSET MIX 6/30/00*

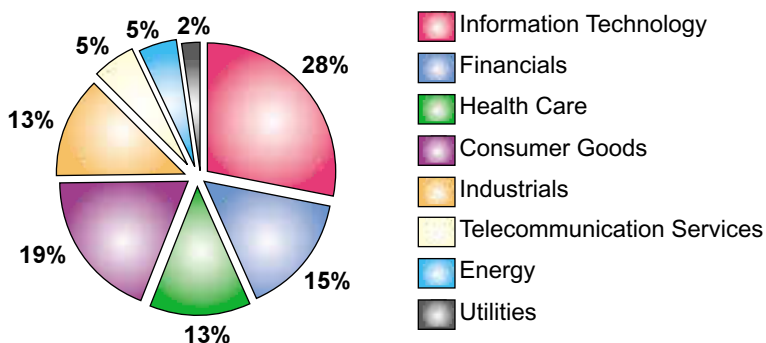


*ASSET MIX 6/30/95*



The following pie chart shows the allocation to sectors within the domestic equity market for the PSRS/NTRS portfolio as of June 30, 2000.

*SECTOR ALLOCATION 6/30/00*



## Domestic Equity Review

As of June 30, 2000

### Domestic Equity Investment Advisors

The following firms were under contract with PSRS/NTRS during all or some portion of FY 00 for management of domestic equity securities.

Investment Advisor	Investment Style	Combined Portfolio Market Value As of June 30, 2000	% of Total Market Value
Alliance Capital Management	Active Large Cap Growth	\$ 1,092,648,433	4.9%
Barrow, Hanley, Mewhinney, & Strauss	Active Large Cap Value	\$ 0	0.0%
Dimensional Fund Advisors	Enhanced Small Cap Value	\$ 427,588,894	1.9%
DSI International Management	Enhanced Core	\$ 1,168,990,320	5.3%
<i>E-MAP: Analytic Investors</i>	Structured Core	\$ 172,513,463	0.8%
<i>E-MAP: Dresdner RCM Capital Management</i>	Active Large Cap Growth	\$ 149,953,121	0.7%
<i>E-MAP: Quadrant One - William Blair &amp; Co.</i>	Structured Core	\$ 48,635,021	0.2%
<i>E-MAP: New South</i>	Active Small Cap Value	\$ 54,147,304	0.2%
<i>E-MAP: Next Century Growth Investors</i>	Active Small Cap Growth	\$ 58,379,486	0.3%
<i>E-MAP: Westwood Management</i>	Active Large Cap Value	\$ 171,588,391	0.8%
<i>E-MAP: Zevenbergen Capital</i>	Active Large Cap Growth	\$ 75,090,959	0.3%
<b>Equity Manager Alpha Pool Subtotal</b>		<b>\$ 730,307,745</b>	<b>3.3%</b>
State Street Global Advisors (Passive)	S&P 500	\$ 2,639,851,359	11.9%
State Street Global Advisors (Passive)	Russell 1000 Value	\$ 677,174,693	3.0%
State Street Global Advisors (Passive)	Interim Account	\$ 3,051,873	0.0%
TCW Asset Management Company	Active All Capitalization	\$ 547,425,829	2.5%
Thomson, Horstmann & Bryant, Inc.	Active Small Cap Value	\$ 397,982,355	1.8%
UBS Brinson	Active Large Cap Value	\$ 770,781,070	3.5%
<b>Total</b>		<b>\$ 8,455,802,571</b>	<b>38.1%</b>

## Domestic Equity Review

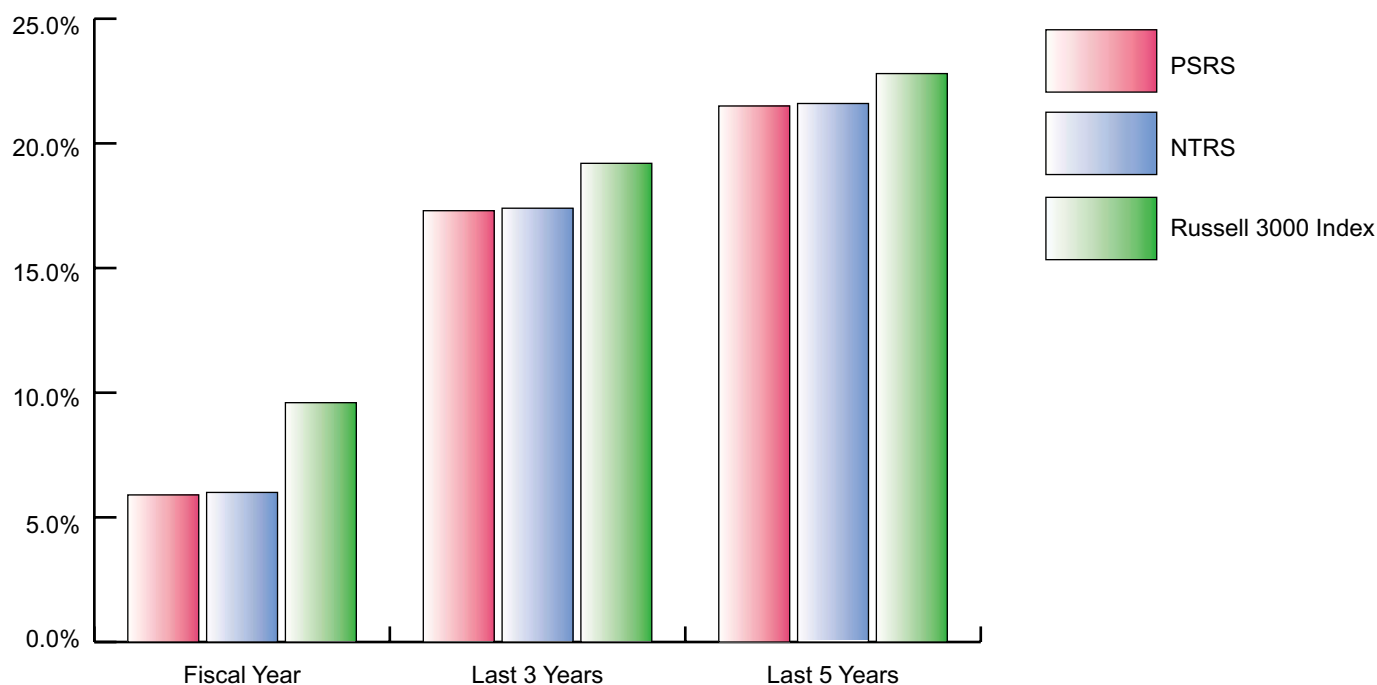
Periods Ended June 30, 2000

### Domestic Equity Returns

The total return on the PSRS and NTRS domestic equity portfolios was 5.9 percent and 6.0 percent respectively compared to the benchmark return of 9.6 percent for the fiscal year ended June 30, 2000. The shortfall can be primarily attributed to the underperformance of the Systems' active large cap value managers and a market that was carried by narrow outperformance in a select few mid-capitalization growth companies.

While the underperformance relative to the broad market is never easy to accept, the board and staff believe that diversification across all capitalization ranges and styles as well as a balance between active and passive managers remains a primary fiduciary responsibility.

	Fiscal Year	Last 3 Years	Last 5 Years
<b>PSRS</b>	5.9%	17.3%	21.5%
<b>NTRS</b>	6.0%	17.4%	21.6%
<b>Russell 3000 Index</b>	9.6%	19.2%	22.8%





## Non-U.S. Equity Review

As of June 30, 2000

### Market Value

As of June 30, 2000, the combined PSRS and NTRS non-U.S. equity portfolio had a market value of just over \$3.5 billion, representing 16.0 percent of the total funds.

### Non-U.S. Equity Statistics

The following table displays the top ten non-U.S. stock holdings as of June 30, 2000 as compared to the top ten holdings of five years ago.

Top Ten Largest Holdings* June 30, 2000	Combined Market Value	% of Total Non-U.S. Equities	Top Ten Largest Holdings* June 30, 1995	PSRS** Market Value	% of Total Non-U.S. Equities
Vodafone Airtouch	\$ 75,708,481.00	0.9%	Mannesmann AG	\$ 6,334,721.50	2.0%
Ing Groep NV	\$ 62,053,227.00	0.7%	Astra	\$ 5,463,786.97	1.7%
Vivendi	\$ 54,287,168.00	0.7%	SAP AG	\$ 4,307,168.00	1.4%
Kon KPN NV	\$ 51,640,898.00	0.6%	Carrefour Supermarche	\$ 3,213,046.00	1.0%
Novartis AG	\$ 45,261,098.00	0.6%	Ericsson	\$ 3,030,803.08	1.0%
Canon Inc.	\$ 45,163,818.00	0.6%	Philips Electronic	\$ 2,968,147.00	1.0%
Aventis SA	\$ 45,157,898.00	0.5%	SKF AB	\$ 2,891,723.00	0.9%
Nippon Tel	\$ 44,085,195.00	0.5%	Canon Inc	\$ 2,844,438.00	0.9%
Glaxo Wellcome	\$ 42,917,472.00	0.5%	Thorn EMI	\$ 2,835,909.00	0.9%
Telecom Italia SPA	\$ 42,539,908.00	0.5%	VEBA AG	\$ 2,792,358.00	0.9%
<b>TOTAL</b>	<b>\$ 508,815,163.00</b>	<b>6.1%</b>	<b>TOTAL</b>	<b>\$ 36,682,101.00</b>	<b>11.7%</b>

\* Includes only actively managed separate accounts.

\*\* NTRS did not have non-U.S. equity holdings as of June 30, 1995

A complete list of portfolio holdings is available upon request.

## Non-U.S. Equity Review

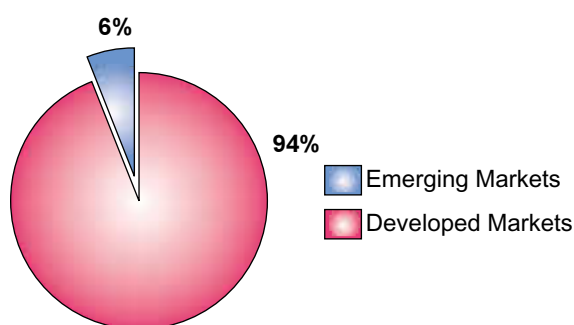
As of June 30, 2000

### Non-U.S. Equity Structure

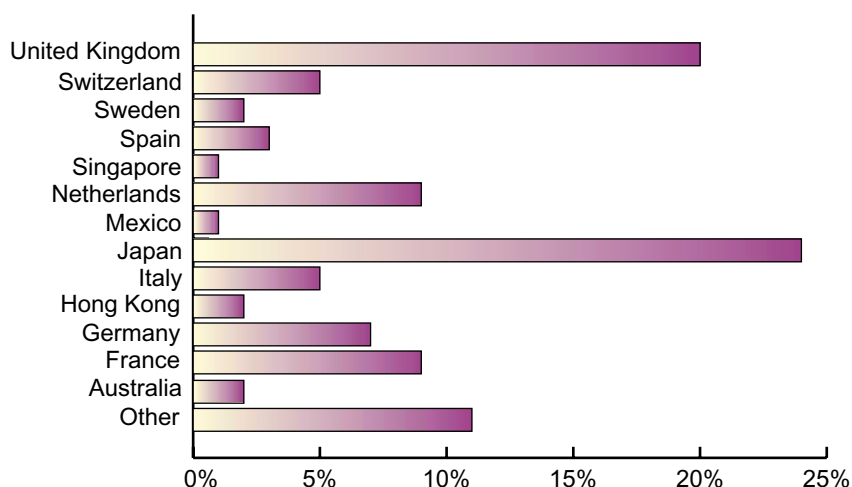
As of June 30, 2000, approximately 25.0 percent of the PSRS/NTRS non-U.S. equity portfolio was passively managed by State Street Global Advisors while the remaining 75.0 percent was managed actively by three separate external managers. The basic non-U.S. stock portfolio structure was implemented in July 1996. There was one strategic investment change in April 1999 when the Board decreased the passive exposure to non-U.S. equities from 33 percent to 25 percent and selected a third active manager.

The pie chart below presents a breakdown of investments in developed and emerging markets in the non-U.S. equity portfolio and the bar graph depicts the specific country exposure within the broad international market.

**Market Allocation**



**Country Allocation**



### Non-U.S. Equity Investment Advisors

The following firms were under contract with PSRS/NTRS during FY 00 for management of non-U.S. equity securities.

Investment Advisor	Combined Portfolio Market Value Investment Style	% of Total As of June 30, 2000	Market Value
Bank of Ireland Asset Management	Active Core	\$ 933,994,482	4.2%
NVESCO Global Asset Management	Active Value	\$ 903,585,133	4.1%
Oechsle International Advisors	Active Core	\$ 904,826,522	4.1%
State Street Global Advisors	Passive Core	\$ 883,689,033	4.0%
<b>Total</b>		<b>\$ 3,626,095,170</b>	<b>16.4%</b>

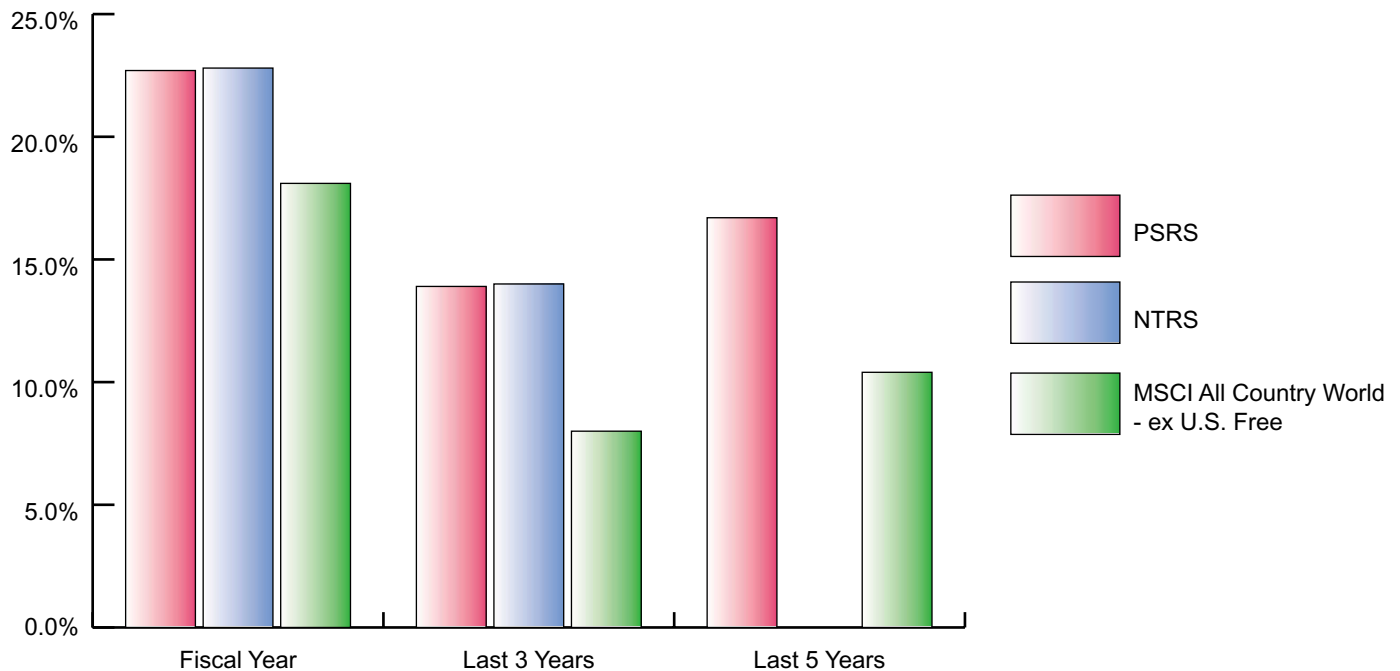
## Non-U.S. Equity Review

Periods Ended June 30, 2000

### Non-U.S. Equity Returns

The total return on the PSRS and NTRS non-U.S. equity portfolios was 22.7 percent and 22.8 percent respectively compared to the benchmark return of 18.1 percent for the year ended June 30, 2000. Both Systems benefited from extraordinary returns in the non-U.S. equity markets and superior performance by the active non-U.S. equity managers. The three year results for NTRS and the three and five year results for PSRS placed the Systems' portfolio in the top 30.0 percent of the ICC (large Public Fund) International Equity universe monitored by the PSRS/NTRS external asset consultant, Strategic Investment Solutions.

	Fiscal Year	Last 3 Years	Last 5 Years
<b>PSRS</b>	22.7%	13.9%	16.7%
<b>NTRS</b>	22.8%	14.0%	N/A*
<b>MSCI All Country World - ex U.S. Free</b>	18.1%	8.0%	10.4%



\* NTRS did not have non-U.S. equity holdings in FY 96.

## PSRS Broker Commissions Report

Periods Ended June 30, 2000

Brokerage Firm	Shares Traded	Dollars Traded	Commissions Paid	Cost per Share
MERRILL LYNCH	32,610,266.00	\$ 517,208,859.18	\$ 872,373.97	\$ 0.03
STATE STREET BROKERAGE SERVICES	41,411,363.00	1,584,333,124.96	828,227.26	0.02
INSTINET	17,567,753.00	729,378,465.49	430,756.47	0.02
NOMURA SECURITIES CO., LTD.	5,049,362.00	145,211,206.10	302,387.17	0.06
GOLDMAN SACHS	6,192,239.00	178,213,876.16	295,860.16	0.05
MORGAN STANLEY AND CO., INC.	5,141,458.00	207,296,584.50	285,354.45	0.06
DRESDNER KLEINWORT BENSON	6,901,141.00	119,158,057.54	258,123.95	0.04
ABN AMRO	8,362,822.00	121,660,233.94	250,213.86	0.03
CREDIT SUISSE FIRST BOSTON	8,482,026.00	152,383,237.77	229,946.81	0.03
DEUTSCHE BANK	4,608,918.00	96,087,012.57	217,369.59	0.05
SALOMON SMITH BARNEY	5,182,777.00	174,549,967.04	199,319.97	0.04
UBS WARBURG LLC.	5,189,278.00	77,325,040.18	188,353.06	0.04
LEHMAN BROS INC.	3,079,978.00	132,601,772.01	173,110.92	0.06
WARBURG DILLON READ LLC.	3,289,597.00	65,790,102.46	123,899.09	0.04
J.P. MORGAN SECURITIES INC.	2,151,225.00	86,399,835.71	117,629.26	0.05
PAINE WEBBER INCORPORATED	2,067,996.00	82,848,023.69	107,348.86	0.05
HSBC	1,748,143.00	64,070,243.73	102,735.00	0.06
BEAR STEARNS SECURITIES CORP.	1,818,500.00	65,208,556.04	91,485.28	0.05
JEFFERIES AND CO.	1,653,354.00	44,100,851.74	79,673.91	0.05
DONALDSON, LUFKIN AND JENRETTE	1,679,803.00	67,904,134.96	78,379.72	0.05
J CHEUVREUX	294,961.00	26,059,803.83	77,494.08	0.26
INVESTMENT TECHNOLOGY GROUP INC.	3,138,525.00	104,825,137.81	76,044.80	0.02
SANFORD BERNSTEIN	1,416,080.00	63,975,739.24	72,445.00	0.05
BRIDGE TRADING	1,265,202.00	51,427,427.54	63,030.10	0.05
KLEINWORT BENSON SECURITIES LIMITED	3,166,881.00	39,623,602.18	58,615.14	0.02
ERNST AND CO.	911,500.00	28,728,324.20	54,690.00	0.06
PRUDENTIAL SECURITIES INCORPORATED	1,038,400.00	35,229,485.39	53,437.00	0.05
HOWARD WEIL DIVISION LEGG MASON	978,300.00	20,199,302.92	51,671.00	0.05
LEWCO SECURITIES CORP.	929,700.00	43,281,522.31	49,618.00	0.05
CHEUVREUXDE VIRIEU	194,014.00	14,929,562.18	44,882.06	0.23
S G WARBURG SECS.	1,273,523.00	21,402,412.16	43,679.78	0.03
SG COWEN SECURITIES CORP.	809,200.00	32,639,131.64	42,631.00	0.05
WEEDEN AND CO.	774,800.00	30,697,672.57	38,423.00	0.05
JONES AND ASSOCIATES	1,618,280.00	8,138,439.02	37,881.35	0.02
BANC AMERICA SECURITY LLC MONTGOMERY DIV.	588,400.00	33,929,422.11	37,023.00	0.06
NEUBERGER BERMAN	606,400.00	20,478,215.16	36,384.00	0.06
FACTSET DATA SYSTEMS INC.	691,972.00	29,206,463.77	34,598.60	0.05
SALOMON BROTHERS INC.	2,552,265.00	51,208,459.40	34,184.76	0.01
MORGAN KEEGAN & CO., INC.	672,400.00	14,174,020.08	32,415.00	0.05
COLLINS STEWART & CO.	1,001,362.00	13,079,839.91	28,482.09	0.03
WILLIAM BLAIR AND COMPANY	524,700.00	22,019,032.68	27,776.00	0.05
CIBC WORLD MARKETS CORP.	542,400.00	14,127,041.09	26,816.00	0.05
SBC WARBURG	610,122.00	13,664,603.83	25,607.01	0.04
Other < \$25,000	18,072,445.00	439,606,808.38	715,033.49	0.04
<b>Total</b>	<b>207,859,831.00</b>	<b>\$ 5,884,380,655.17</b>	<b>\$ 6,995,411.02</b>	<b>\$ 0.03</b>

# **NTRS Broker Commissions Report**

Periods Ended June 30, 2000

Brokerage Firm	Shares Traded	Dollars Traded	Commissions Paid	Cost per Share
MERRILL LYNCH	2,273,612.66	\$ 38,797,236.82	\$ 65,689.14	\$ 0.03
STATE STREET BROKERAGE SERVICES	1,833,940.00	77,134,289.60	36,678.80	0.02
INSTINET	1,427,875.00	60,766,585.21	34,582.24	0.02
GOLDMAN SACHS	492,639.00	14,461,144.91	23,921.91	0.05
NOMURA SECURITIES CO., LTD.	390,542.00	11,229,725.14	23,561.57	0.06
MORGAN STANLEY AND CO., INC.	431,330.00	17,387,689.65	22,909.74	0.05
DRESDNER KLEINWORT BENSON	559,271.00	9,565,748.69	20,788.83	0.04
ABN AMRO	641,370.00	9,702,680.79	18,421.50	0.03
CREDIT SUISSE FIRST BOSTON	634,915.00	11,568,001.13	17,577.98	0.03
SALOMON SMITH BARNEY	551,779.00	16,826,934.24	16,568.64	0.03
DEUTSCHE BANK	320,498.00	7,054,178.45	16,078.16	0.05
UBS WARBURG LLC.	460,392.00	6,069,370.23	14,463.41	0.03
LEHMAN BROS INC.	224,104.00	9,716,562.55	12,616.57	0.06
WARBURG DILLON READ LLC.	231,140.00	5,447,195.64	9,476.99	0.04
J.P. MORGAN SECURITIES INC.	160,631.00	6,155,644.63	8,607.09	0.05
PAINE WEBBER INCORPORATED	151,320.00	5,906,781.67	7,852.00	0.05
BEAR STEARNS SECURITIES CORP.	151,300.00	5,243,334.51	7,625.23	0.05
HSBC	126,667.00	4,592,375.92	7,467.25	0.06
JEFFERIES AND CO.	132,404.00	3,597,384.89	6,391.20	0.05
DONALDSON, LUFKIN AND JENRETTE SECS.	133,156.00	5,492,747.91	6,189.79	0.05
INVESTMENT TECHNOLOGY GROUP INC.	274,825.00	10,038,534.11	5,885.40	0.02
SANFORD BERNSTEIN	108,300.00	4,806,281.53	5,532.00	0.05
BRIDGE TRADING	93,300.00	3,804,110.90	4,685.00	0.05
PRUDENTIAL SECURITIES INCORPORATED	82,000.00	2,864,022.69	4,212.00	0.05
KLEINWORT BENSON SECURITIES LIMITED	235,382.00	2,810,475.99	4,165.02	0.02
HOWARD WEIL DIVISION LEGG MASON	75,500.00	1,560,611.78	3,986.00	0.05
LEWCO SECURITIES CORP.	70,000.00	3,296,605.97	3,733.00	0.05
S G WARBURG SECS.	100,551.00	1,730,332.57	3,445.94	0.03
ERNST AND CO.	55,600.00	1,532,652.96	3,336.00	0.06
J CHEUVREAU	16,276.00	1,103,092.51	3,247.65	0.20
BANC AMERICA SECURITY LLC MONTGOMERY DIV.	46,700.00	2,676,371.78	2,907.00	0.06
NEUBERGER AND BERMAN	48,000.00	1,721,579.76	2,880.00	0.06
JONES AND ASSOCIATES	121,400.00	615,621.68	2,865.50	0.02
SG COWEN SECURITIES CORP.	54,800.00	2,266,096.35	2,861.00	0.05
CHEUVREUXDE NORDIC A B	6,958.00	943,867.80	2,840.12	0.41
WEEDEN AND CO.	57,300.00	2,283,189.07	2,838.00	0.05
BANQUE PARIBAS	22,186.00	1,102,375.18	2,758.72	0.12
CHEUVREUXDE VIRIEU	12,278.00	888,680.39	2,670.74	0.22
MORGAN KEEGAN & CO., INC.	48,200.00	977,936.48	2,326.00	0.05
J B WERE AND SON	86,202.00	756,283.56	2,286.99	0.03
FACTSET DATA SYSTEMS INC.	44,954.00	1,824,068.44	2,247.70	0.05
COLLINS STEWART & CO.	77,182.00	1,014,191.81	2,209.62	0.03
WILLIAM BLAIR AND COMPANY	39,600.00	1,662,336.64	2,096.00	0.05
Other < \$2,000	1,473,436.00	35,531,884.67	57,844.46	0.04
<b>Total</b>	<b>14,579,815.66</b>	<b>\$ 414,526,817.20</b>	<b>\$ 511,327.90</b>	<b>\$ 0.04</b>

## Investment Summary

as of June 30, 2000

Value	PSRS/NTRS	Percentage of Total Market		
	Combined Funds -- 2000	2000	1999	1998
U.S. Fixed Income	\$ 10,098,591,900	45.4%	43.7%	46.5%
U.S. Equity	8,385,107,593	37.7%	39.2%	37.0%
Non-U.S. Equity	3,549,297,755	16.0%	15.2%	14.4%
Cash and Short-term Investments	200,026,329	0.9%	1.9%	2.1%
<b>Total</b>	<b>\$ 22,233,023,577</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### Reconciliation with financial statements

Accrued payable for investments purchased	\$ 1,809,556,957
Accrued income payable	381,801
Accrued receivable for investments sold	(1,141,427,142)
Accrued income receivable	(87,005,714)
Short-term investments designated for benefits	(49,040,057)
<b>Statement of Plan Net Assets</b>	<b>\$ 22,765,489,422</b>

## Investment Expenses

1999-2000

	PSRS	NTRS	Total
<b>Investment Managers</b>			
Agincourt Capital Management	\$ 28,805	\$ 2,168	\$ 30,973
Alliance Capital Management	1,962,300	147,700	2,110,000
Bank of Ireland Asset Management	1,992,990	150,010	2,143,000
Barrow, Hanley, Mewhinney & Strauss	976,832	73,525	1,050,357
BlackRock Financial Management	1,171,800	88,200	1,260,000
Dimensional Fund Advisors	831,476	62,584	894,060
DSI International	788,640	59,360	848,000
INVESCO Global Asset Management	1,674,000	126,000	1,800,000
NISA Investment Advisors	820,050	61,724	881,774
Oechsle International Advisors	2,069,250	155,750	2,225,000
Payden & Rygel	347,217	26,135	373,352
Sovran Capital	138,338	10,413	148,751
State Street Global Advisors	819,262	64,354	883,616
TCW Asset Management Company	1,757,700	132,300	1,890,000
Thomson, Horstmann & Bryant, Inc.	999,750	75,250	1,075,000
UBS Brinson	1,767,000	133,000	1,900,000
Wellington Management Company	651,000	49,000	700,000
<b>Investment Management Expense</b>	<b>\$ 18,796,410</b>	<b>\$ 1,417,473</b>	<b>\$ 20,213,883</b>
<b>Investment Consultants</b>			
Strategic Investment Solutions	218,912	16,477	235,389
<b>Custodial Services</b>			
State Street Bank & Trust	1,105,239	83,190	1,188,429
<b>Staff Investment Expenses</b>	<b>290,608</b>	<b>163,346</b>	<b>453,954</b>
<b>Total Investment Expenses</b>	<b>\$ 20,411,169</b>	<b>\$ 1,680,486</b>	<b>\$ 22,091,655</b>





## Calculation of Unfunded Actuarial Accrued Liability

### *Required Contribution Rate and Amortization of Unfunded Liability*

### *Analysis of Actuarial Gains and Losses*

## Summary of Actuarial Assumptions

### *Schedule of Active Member Valuation Data*

### *Solvency Test*

### *Schedule of Retirees/Beneficiaries Added To/Removed from Retirement Rolls*

## Summary Plan Descriptions



GABRIEL, ROEDER, SMITH & COMPANY  
Consultants & Actuaries

3017 Douglas Boulevard • Suite 300 • Roseville, CA 95661 • 916-774-7580

November 3, 2000

Board of Trustees  
Public School Retirement System of Missouri  
Non-Teacher School Employee Retirement System of Missouri  
701 W. Main  
PO Box 268  
Jefferson City, MO 65102

Re: Certification of Actuarial Results

Dear Members of the Board:

At your request, we have performed actuarial valuations of The Public School Retirement System and the Non-Teacher School Employee Retirement System of Missouri as of June 30, 2000. An actuarial valuation of each system is performed annually.

The actuarial valuation is based upon:

- a. *Data relative to the members of the Systems* - Data for all members of each system was provided by the staff. Such data is tested for reasonableness by the actuary but is used unaudited.
- b. *Assets of the Fund* - The values of the trust fund assets for each system are provided by the staff. The market value of assets is used to develop actuarial results.
- c. *Actuarial Method* - The actuarial method utilized for each system is the Entry Age Normal Cost Method. The objective of this method is to finance the benefits of the systems as a level percentage of pay over the entire career of each member. Any Unfunded Actuarial Accrued Liability (UAAL) under this method is separately financed. All actuarial gains and losses under this method are reflected in the UAAL.
- d. *Actuarial Assumptions* - The actuarial assumptions used in the valuation of each system are summarized in the next few pages. This set of assumptions was adopted by the Board effective June 30, 1997.

The actuarial assumptions and methods used are in accordance with paragraph 36 of GASB Statement Number 25.

The trend data in the Financial Section and the schedules and other data in this Section are prepared by the staff with our guidance.

BOARD OF TRUSTEES

-2-

NOVEMBER 3, 2000

The Board's statement of funding policy provides that:

1. The Board of Trustees shall adopt actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience under the system, derived from experience studies conducted every fifth year.
2. The actuarial funding method used shall be the Entry Age Normal Method with normal costs calculated as a percentage of payroll.
3. It shall be the general objective to maintain an amortization period of 30 years or less in the funding of the Unfunded Actuarial Accrued Liability. Whenever a change is made in a system's benefit and contribution rate structures, the amortization period for the system after this change should not exceed 30 years initially.
4. If an escalation in future payroll is assumed in determining the amortization payments toward the Unfunded Actuarial Accrued Liability, then the annual rate of such escalation shall not exceed the expected rate of expansion in total system payroll based upon the actuarial assumptions.
5. Assets used in the actuarial valuation shall be valued using adjusted market values averaged over a period of five years.
6. Annual actuarial valuations shall be made of the system's assets and liabilities. The contribution rate shall be established based on the results of these valuations.

The results of the valuations are based on the data and actuarial techniques described above and on the provisions of each system at the valuation date. Based on these items, we certify these results to be true and correct.

Sincerely,



Norman S. Losk, F.S.A.  
Senior Consultant

NSL:cml

### *PSRS Calculation of Unfunded Actuarial Accrued Liability*

June 30, 2000

	<b>Amount</b>
(1) Present Value of Future Benefits for:	
Active Members	\$ 17,314,317,781
Service Retirees	7,379,039,708
Disability Retirees	92,569,065
Tax-sheltered Annuitants	1,460,237
Survivors	282,560,852
Death Benefits	46,215,000
Inactive Members	183,474,807
Total	<u>25,299,637,450</u>
(2) Present Value of Future Normal Costs	<u>7,020,524,200</u>
(3) Actuarial Accrued Liability ((1)-(2))	18,279,113,250
(4) Actuarial Value of Assets	<u>19,437,222,776</u>
(5) Unfunded Actuarial Accrued Liability ((3)-(4))	<u>\$ (1,158,109,526)</u>

### *PSRS Required Contribution Rate & Amortization of Unfunded Liability*

June 30, 2000

	<b>Percentage of Payroll</b>
(1) Total Contribution Rate, Member + Employer	21.00%
(2) Normal Cost Rate	21.40%
(3) Approximate Rate Available for Unfunded Actuarial Accrued Liability ((1) - (2))	-0.40%
(4) Number of Years Required to Amortize Unfunded Actuarial Accrued Liability	N/A

## *PSRS Analysis of Actuarial Gains and Losses*

(Dollar Amounts in Thousands)

(1) Unfunded Actuarial Liability as of July 1, 1999		\$ (836,726)
(2) Normal Cost for 2000 Plan Year		590,756
(3) Contribution received during year		(624,524)
(4) Interest to Year end @ 8.00% on 1) 2) & 3)		(68,263)
(5) Expected Unfunded Actuarial Liability as of June 30, 2000		(938,756)
(6) Actuarial (Gain)/Loss During the Year		
a. From Investments	\$ (906,960)	
b. From Actuarial Liabilities	44,851	
c. Total		(862,109)
(7) Actual Unfunded Actuarial Liability as of June 30, 2000, before Benefit Changes		(1,800,865)
(8) Effect of Legislation in 2000		642,755
(9) Actual UAAL as of June 30, 2000 After Benefit Changes		\$ (1,158,110)

### ***NTRS Calculation of Unfunded Actuarial Accrued Liability***

June 30, 2000

	<b>Amount</b>
(1) Present Value of Future Benefits for:	
Active Members	\$ 1,638,236,943
Service Retirees	441,302,980
Disability Retirees	10,320,170
Survivors	16,029,470
Inactive Members	33,309,089
Total	<u>2,139,198,652</u>
 (2) Present Value of Future Normal Costs	 <u>743,898,630</u>
 (3) Actuarial Accrued Liability ((1)-(2))	 1,395,300,022
 (4) Actuarial Value of Assets	 <u>1,522,660,195</u>
 (5) Unfunded Actuarial Accrued Liability ((3)-(4))	 <u>\$ (127,360,173)</u>

### ***NTRS Required Contribution Rate & Amortization of Unfunded Liability***

June 30, 2000

	<b>Percentage of Payroll</b>
(1) Total Contribution Rate, Member + Employer	9.00%
(2) Normal Cost Rate	10.50%
(3) Approximate Rate Available for Unfunded Actuarial Accrued Liability ((1) - (2))	-1.50%
(4) Number of Years Required to Amortize Unfunded Actuarial Accrued Liability	N/A



## ***NTRS Analysis of Actuarial Gains and Losses***

	<b>Amount</b>
(1) Unfunded Actuarial Liability as of July 1, 1999	\$ (166,796,423)
(2) Normal Cost for 2000 Plan Year	66,781,785
(3) Contribution Received During the Year	(68,684,341)
(4) Interest to Year End @ 8.00% on 1., 2., and 3.	(13,419,352)
(5) Expected Unfunded Actuarial Liability as of June 30, 2000	(182,117,331)
(6) Actuarial (Gain)/Loss During the Year	
a. From Investments	\$ (69,594,454)
b. From Liabilities	(2,354,372)
c. Total	\$ (66,948,826)
(7) Actual Unfunded Actuarial Liability as of June 30, 2000, Before Legislation	(249,066,157)
(8) Effect of 2000 Legislation	121,705,984
(9) Actual Unfunded Actuarial Liability as of June 30, 2000, After Legislation	\$ (127,360,173)

## *PSRS Summary of Actuarial Assumptions and Methods*

### **Mortality -**

Sample rates per 1,000 members by ages: (effective 6/30/97)

Active and Service Retired Members, Beneficiaries and Survivors

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.507	0.284
40	0.999	0.652
60	7.090	3.863
80	55.861	35.362
100	301.298	256.712

### **Interest -**

8% per annum compound, net of expenses. (1980)

### **Termination -**

Illustrate per 1000 members (male and female): (1994)

<u>Age</u>	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>	<u>After Three Years</u>
20	140	110	100	35
30	120	100	80	31
40	100	90	60	21
50	90	70	40	8

### **Salary Increases -**

Sample annual rates varying by age: (effective 6/30/97)

<u>Age</u>	<u>Increase</u>	<u>Age</u>	<u>Increase</u>
20	10.5%	50	5.5%
30	8.0	60	5.0
40	6.5		

### **Retirement Rates -**

Sample rates per 1000 eligible members: (effective 6/30/97)

<u>(1)</u> <u>Age 60</u>		<u>(2)</u> <u>Below 60</u>		<u>(3)</u> <u>Below 60, Less Than 30 Years</u>	
<u>Age</u>	<u>5 Years</u>	<u>Service</u>	<u>With 30 Years</u>	<u>Before (1) or (2), After 55/25</u>	
60	250	30	300	First Year Eligible	200
62	200	31 & over	150	Thereafter	150
65	400				
67	300				
70+	1000				

<b>Asset Valuation -</b>	Based on five year average of adjusted market values. (1994)
<b>Payroll Increase -</b>	Total covered payroll is assumed to increase 5.0% per year. (effective 6/30/97) Membership is not assumed to increase.
<b>Inflation -</b>	3.5% per annum compound. (effective 6/30/97)
<b>Actuarial Method -</b>	Entry Age Normal Funding Method is used. Gains and losses are reflected immediately in the unfunded actuarial accrued liability of the System, and amortized in the future as a level percentage of payroll. (1947)
<b>Other -</b>	In addition to the above, other assumptions are made with respect to the incidence of disability, the rates of retirement under a special temporary program, mortality of disabled lives, the probability that a member has a spouse, minor children and the ages of the children. (effective 6/30/97)
<b>COLA -</b>	3.5% per year. (effective 6/30/97)

## *NTRS Summary of Actuarial Assumptions and Methods*

### **Mortality -**

Sample rates per 1,000 members by age: (effective 6/30/97)

Active and Service Retired Members, Beneficiaries and Survivors

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.537	0.284
40	0.999	0.652
60	7.090	3.863
80	55.861	35.362
100	301.298	256.712

### **Interest -**

8% per annum compound, net of expenses. (1980)

### **Termination -**

Illustrate per 1000 members (male and female): (1994)

<u>Age</u>	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>	<u>After Three Years</u>	
				<u>Males</u>	<u>Females</u>
20	350	170	100	66	50
30	225	170	100	66	50
40	130	125	90	61	45
50	90	85	55	39	29

### **Salary Increases -**

Sample annual rates varying by age: (effective 6/30/97)

<u>Age</u>	<u>Increase</u>	<u>Age</u>	<u>Increase</u>
20	9.5%	50	5.5%
30	7.5	60	5.0
40	6.5		

### **Retirement Rates -**

Sample rates per 1000 members: (effective 6/30/97)

<u>(1)</u> <u>Age 60</u>		<u>(2)</u> <u>Below 60</u>		<u>(3)</u> <u>Below 60, Less Than 30 Years</u>	
<u>Age</u>	<u>5 Years</u>	<u>Service</u> <u>30 &amp; over</u>	<u>With 30</u> <u>Years</u>	<u>Before (1) or (2),</u> <u>After 55/25</u>	
60	100		100	All Years Eligible	100
62	300				
65	300				
67	200				
71+	1000				

<b>Asset Valuation -</b>	Based on five year average of adjusted market values. (1994)
<b>Payroll Increase -</b>	Total covered payroll is assumed to increase 5.0% per year. (effective 6/30/97)
<b>Inflation -</b>	3.5% per annum compound. (effective 6/30/97)
<b>Actuarial Method -</b>	Entry Age Normal Funding Method is used. Gains and losses are reflected immediately in the unfunded actuarial accrued liability of the System, and amortized in the future as a level percentage of payroll. (1966)
<b>Other -</b>	In addition to the above, other assumptions are made with respect to the incidence of disability, the rates of retirement under a special temporary program, mortality of disabled lives, the probability that a member has a spouse and average work year. (effective 6/30/97)
<b>COLA -</b>	3.5% per year. (effective 6/30/97)

### *PSRS Schedule of Active Member Valuation Data*

<u>Actuarial Valuation Date</u>	<u>Number Employer Districts</u>	<u>Number of Members</u>	<u>Covered Annual Payroll (000)</u>	<u>Average Annual Salary</u>	<u>% Increase In Average Pay</u>	<u>Average Attained Age</u>	<u>Average Years of Service</u>
6/30/91	572	56,908	\$ 1,750,191	\$ 30,755	4.0%	42.0	12.1
6/30/92	572	57,711	1,809,458	31,354	1.9	42.2	12.2
6/30/93	565	58,493	1,867,948	31,935	1.9	42.3	12.3
6/30/94	563	60,595	1,996,908	32,955	3.2	42.5	12.3
6/30/95	557	62,854	2,137,134	34,002	3.2	42.5	12.3
6/30/96	552	64,624	2,283,994	35,343	3.9	42.6	12.3
6/30/97	550	66,456	2,427,429	36,527	3.3	42.5	12.1
6/30/98	548	68,709	2,577,594	37,514	2.7	42.5	11.9
6/30/99	548	70,092	2,690,353	38,383	2.3	42.5	11.7
<b>6/30/00</b>	<b>548</b>	<b>71,706</b>	<b>\$ 2,836,062</b>	<b>\$ 39,581</b>	<b>3.1%</b>	<b>42.5</b>	<b>11.6</b>

### *NTRS Schedule of Active Member Valuation Data*

<u>Actuarial Valuation Date</u>	<u>Number Employer Districts</u>	<u>Number of Members</u>	<u>Covered Annual Payroll (000)</u>	<u>Average Annual Salary</u>	<u>% Increase In Average Salary</u>	<u>Average Attained Age</u>	<u>Average Years of Service</u>
6/30/91	551	28,554	\$ 389,080	\$ 13,626	5.1%	45.5	7.4
6/30/92	551	28,410	398,147	14,014	2.8	45.7	7.6
6/30/93	549	29,055	415,672	14,306	2.1	45.7	7.7
6/30/94	543	30,662	452,339	14,752	3.1	45.5	7.6
6/30/95	542	32,598	495,449	15,199	3.0	45.3	7.3
6/30/96	538	34,153	538,022	15,753	3.6	45.2	7.2
6/30/97	536	35,982	556,534	15,467	-1.8	45.1	7.1
6/30/98	535	38,672	616,303	15,937	3.0	44.8	6.7
6/30/99	535	41,599	685,272	16,473	3.4	44.6	6.5
<b>6/30/00</b>	<b>535</b>	<b>43,533</b>	<b>\$ 735,400</b>	<b>\$ 16,893</b>	<b>2.5 %</b>	<b>44.5</b>	<b>6.4</b>

## PSRS Solvency Test

(Dollar amount in thousands)

Actuarial Accrued Liabilities for:

Actuarial Valuation Date	Member Contributions (1)	Current Retirees & Beneficiaries (2)	Active & Inactive Members, Employer Financed Portion (3)	Net Assets Available for Benefits	Percentage of Actuarial Liabilities Covered by Net Assets for:		
					(1)	(2)	(3)
6/30/91	\$ 1,983,631	\$ 2,262,801	\$ 3,287,876	\$ 6,103,139	100.0%	100.0%	56.5%
6/30/92	2,191,277	2,635,808	3,544,964	6,878,981	100.0	100.0	57.9
6/30/93	2,384,406	2,980,210	3,591,872	7,787,379	100.0	100.0	67.5
6/30/94	2,616,067	3,206,061	4,147,631	9,177,070	100.0	100.0	80.9
6/30/95	2,856,389	3,705,807	4,419,626	10,193,084	100.0	100.0	82.2
6/30/96	3,098,448	4,265,851	4,867,447	11,510,625	100.0	100.0	85.2
6/30/97 <sup>1</sup>	3,312,090	4,553,628	4,583,460	13,099,219	100.0	100.0	100.0
6/30/98 <sup>2</sup>	3,541,459	5,523,768	5,405,822	14,979,358	100.0	100.0	109.4
6/30/99 <sup>2</sup>	3,765,854	6,602,915	6,004,376	17,209,870	100.0	100.0	113.9
<b>6/30/00 <sup>2</sup></b>	<b>\$3,976,059</b>	<b>\$ 7,801,845</b>	<b>\$ 6,501,209</b>	<b>\$ 19,437,223</b>	<b>100.0%</b>	<b>100.0%</b>	<b>117.8%</b>

1. Assumptions used to calculate salary growth and COLA increases for retirees were revised.

2. Legislative improvements were made to the benefit formula and retirees' benefits.

## NTRS Solvency Test

(Dollar amount in thousands)

Actuarial Accrued Liabilities for:

Actuarial Valuation Date	Member Contributions (1)	Current Retirees & Beneficiaries (2)	Active & Inactive Members, Employer Financed Portion (3)	Net Assets Available for Benefits	Percentage of Actuarial Liabilities Covered by Net Assets for:		
					(1)	(2)	(3)
6/30/91	\$ 113,462	\$ 144,240	\$ 244,839	\$ 453,722	100.0%	100.0%	80.1%
6/30/92	127,335	163,586	248,947	513,693	100.0	100.0	89.5
6/30/93	140,790	196,936	277,693	583,058	100.0	100.0	88.3
6/30/94	155,238	224,650	306,192	698,988	100.0	100.0	104.2
6/30/95	169,846	252,034	364,519	778,325	100.0	100.0	97.8
6/30/96	185,763	293,937	399,861	876,886	100.0	100.0	99.3
6/30/97 <sup>1</sup>	204,757	312,390	447,065	1,001,035	100.0	100.0	100.0
6/30/98 <sup>2</sup>	225,454	350,860	460,033	1,150,311	100.0	100.0	125.8
6/30/99 <sup>2</sup>	231,252	396,846	540,413	1,335,308	100.0	100.0	130.9
<b>6/30/00 <sup>2</sup></b>	<b>\$ 274,167</b>	<b>\$ 467,653</b>	<b>\$ 653,480</b>	<b>\$ 1,522,660</b>	<b>100.0%</b>	<b>100.0%</b>	<b>119.5%</b>

1. Assumptions used to calculate salary growth and COLA increases for retirees were revised.

2. Legislative improvements were made to the benefit formula and retiree's benefits.



## *PSRS Schedule of Retirees and Beneficiaries Added to and Removed from Retirement Rolls*

		Added to Rolls	Removed from Rolls	Rolls End of Year
2000	Service Retirees	2,152	779	24,759
	Disability Retirees	45	34	580
	Beneficiaries	196	90	1,899
1999	Service Retirees	1,947	730	23,386
	Disability Retirees	41	33	569
	Beneficiaries	176	74	1,793
1998	Service Retirees	1,757	728	22,169
	Disability Retirees	27	32	561
	Beneficiaries	187	82	1,691
1997	Service Retirees	1,797	732	21,140
	Disability Retirees	30	31	566
	Beneficiaries	170	74	1,586
1996	Service Retirees	1,344	693	20,075
	Disability Retirees	44	35	567
	Beneficiaries	150	72	1,490
1995	Service Retirees	1,141	680	19,424
	Disability Retirees	34	32	558
	Beneficiaries	152	66	1,412
1994	Service Retirees	1,021	676	18,963
	Disability Retirees	35	39	556
	Beneficiaries	130	63	1,326
1993	Service Retirees	1,269	554	18,618
	Disability Retirees	45	30	560
	Beneficiaries	110	63	1,259
1992	Service Retirees	1,119	599	17,903
	Disability Retirees	33	43	545
	Beneficiaries			
1991	Service Retirees	1,067	563	17,383
	Disability Retirees	28	25	555
	Beneficiaries			
1990	Service Retirees	949	532	16,879
	Disability Retirees	37	28	552
	Beneficiaries			

## ***NTRS Schedule of Retirees and Beneficiaries Added to and Removed from Retirement Rolls***

		<b>Added to Rolls</b>	<b>Removed from Rolls</b>	<b>Rolls End of Year</b>
2000	Service Retirees	960	447	12,113
	Disability Retirees	45	14	347
	Beneficiaries	77	21	601
1999	Service Retirees	796	414	11,600
	Disability Retirees	35	7	316
	Beneficiaries	67	19	545
1998	Service Retirees	841	414	11,218
	Disability Retirees	29	17	288
	Beneficiaries	59	22	497
1997	Service Retirees	823	388	10,811
	Disability Retirees	22	13	276
	Beneficiaries	63	18	460
1996	Service Retirees	799	390	10,376
	Disability Retirees	26	8	267
	Beneficiaries	47	18	415
1995	Service Retirees	782	372	9,967
	Disability Retirees	33	19	249
	Beneficiaries	54	12	386
1994	Service Retirees	658	358	9,557
	Disability Retirees	29	9	235
	Beneficiaries	60	9	344
1993	Service Retirees	689	336	9,257
	Disability Retirees	29	10	215
	Beneficiaries	40	7	293
1992	Service Retirees	715	316	8,904
	Disability Retirees	28	7	196
	Beneficiaries	46	5	260
1991	Service Retirees	712	277	8,505
	Disability Retirees	24	13	175
	Beneficiaries	54	4	219
1990	Service Retirees	678	253	8,070
	Disability Retirees	23	10	164
	Beneficiaries	29	8	169

## ***PSRS Summary Plan Description***

The Public School Retirement System of Missouri (PSRS) became operative July 1, 1946. It was established by an Act of the Missouri Legislature and is governed by Chapter 169 of the *Revised Statutes of Missouri*. Its purpose is to provide benefits to members and their dependents at retirement or in the event of death or disability prior to retirement.

PSRS is a defined benefit plan funded on an actuarial reserve basis, which guarantees availability of funds to pay benefits as prescribed by law. The system is established as an independent trust fund and is not subject to direction by any state agency. Administrative expenses are paid entirely out of investment earnings.

### **Administration**

The administration of PSRS is vested in a seven-member Board of Trustees, composed of three elected PSRS members, one elected Non-Teacher School Employee Retirement System (NTRS) member, and three appointed trustees. The four elected trustees are selected by vote of the members and retirees of both systems. Two are elected each even-numbered calendar year to serve four-year terms. The three appointed trustees, one of whom must be a PSRS or an NTRS retiree, are named by the governor. The appointed trustees must be residents of school districts included in the retirement system but not employees of such districts nor state employees nor a state elected official. The Board appoints an Executive Director who is responsible for employment of the retirement office staff, routine operation of the system, and advising the Board on all matters pertaining to the system.

### **Member Participation**

PSRS membership is automatic, regardless of position, for certificated, full-time employees of public school districts in Missouri (except the St. Louis and the Kansas City school districts), public junior college districts in Missouri, and of PSRS. Certificated, part-time employees whose services would qualify them for membership in the Non-Teacher School Employee Retirement System are contributing members of PSRS unless NTRS membership is elected.

Members working in covered employment are considered *active* members. Such members contribute 10.5 percent of gross salary to PSRS. The contributions are deducted and remitted by the employer and are credited by PSRS to individual member accounts. Since July 1, 1989, member contributions have been tax-deferred for federal and state income tax purposes under IRS 414(h)(2). Contributions are not considered income for such purposes until they are paid as a lump sum refund or monthly benefits.

Members not working in covered employment are considered *inactive* members.

Interest at a rate set each year by the Board of Trustees is credited to individual member accounts each June 30 on the previous June 30 balance. The rate credited on June 30, 2000 was 6%.

In addition to credit earned for covered service, members may purchase credit in various categories including several types of leave, outside school service, other public and private employment, active U.S. military duty, and service under the federal Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA).

### **Employer Participation**

The employers served by PSRS withhold members' contributions from salary payments and match those contributions at a current rate of 10.5 percent of payroll. Employer contributions and investment earnings on those funds are placed by PSRS in a general reserve account to pay monthly benefits to retirees and to beneficiaries of deceased members. Employers are responsible for remitting contributions promptly and for furnishing contribution information and new membership records to PSRS. Employers also provide record data when members apply for benefits or for refunds upon termination of employment.

### **Survivor Benefits**

The designated beneficiary of a member who dies before retirement is eligible for a lump sum refund of the member's contributions and interest. If the beneficiary is an eligible dependent and the member dies while in covered employment with at least two years of credit for such service, or while eligible for disability retirement benefits, monthly survivor benefits based on a percentage of the member's salary for the last full year of covered service can be elected instead of the contribution refund.

In lieu of a lump sum refund or monthly survivor benefits, survivors with an insurable interest and disability retirees may elect to receive monthly benefits under the Option 2 retirement plan. Such benefits are payable when the member would have been eligible for early or normal retirement.

### Refund of Contributions

Member contributions and interest are fully refundable upon termination of service or death. All credit and benefit rights are forfeited upon voluntary withdrawal or automatic termination of membership.

A member may, upon returning to covered employment, reinstate the credit forfeited through termination of a previous membership by repaying the money refunded plus interest.

### Membership Termination

Membership is terminated by death, retirement, withdrawal of contributions, or absence from covered employment by a non-vested member for five consecutive school years.

### Disability Retirement Benefits

Disability retirement benefits are payable to eligible members who because of permanent disability are unable to earn a livelihood in any occupation. In most instances, the disability retirement benefit is calculated at 50 percent of the member's salary for the last full year of creditable service.

### Service Retirement Benefits

Service retirement benefits are payable to members who have terminated covered employment and have met certain eligibility requirements.

**Benefit Formula**—All service retirement benefits are based on a formula which multiplies final average salary by the applicable formula factor, by the years of credit and, in the case of early retirement, by an age reduction factor. Final average salary is obtained by dividing the total salaries for the 3 highest consecutive years of service by 36; the applicable factor is determined by the type of retirement eligibility; total credit is the amount accumulated at retirement for covered service and purchased credit; and the age factor, where applicable, is determined by the age at retirement.

**Normal Retirement**—A member may retire with benefits calculated under the standard (.025) formula factor at age 60 with 5 years of credit, at any age with 30 years of credit, or when a combination of age and service credit equals 80. A special provision in effect until July 1, 2003 allows members under age 55 with 25.0 – 29.9 years of credit to retire with benefits calculated under a modified formula factor ranging from .022 to .024 but with no age reduction factor applied.

**Early Retirement**—A member may retire with benefits calculated under the standard (.025) formula with an age reduction factor applied, at age 55 with 5 years of credit or at any age with 25 years of credit.

**Payment Options**—A retiring member may elect to receive the maximum benefits payable under the Single Life option, or may elect to receive a reduced benefit under one of three Joint-and-Survivor options or under one of two Term-Certain options, to provide survivor benefit coverage in varying degrees after the retiree's death.

Certain benefit minimums apply to normal or early retirement with 15 or more years of credit. The minimums for 15 but fewer than 25 years of credit are reduced if a Joint-and-Survivor or a Term-Certain option is elected and/or if an age factor is applicable because of early retirement. The minimums for 25 or more years of credit are reduced only if a Joint-and-Survivor or a Term-Certain option is elected.

### Post-Retirement Increases

Cost-of-living adjustments (COLAs) are provided beginning the third January after retirement to service and disability retirees, and to Joint-and-Survivor beneficiaries of deceased retirees. The third January COLA eligibility pertains to those individuals who began receiving benefits effective July 1, 2000, or after. The annual COLA, not to exceed 5%, is based on the increase in the cost of living as measured by the Department of Labor Consumer Price Index for the previous fiscal year and is applied to the current benefit of each eligible recipient. Lifetime COLAs are limited to 80% of the original retirement benefit. The 80% lifetime COLA limit became effective July 1, 2000.

### Benefits Guide

A benefits guide containing detailed information concerning the retirement program can be obtained from the retirement office upon request.

## ***NTRS Summary Plan Description***

The Non-Teacher School Employee Retirement System of Missouri (NTRS) was established by an Act of the Missouri Legislature effective November 1, 1965, and is governed by Chapter 169 of the *Revised Statutes of Missouri*.

The plan's purpose is to provide benefits to members and their dependents at retirement or in the event of death or disability. The plan is funded on an actuarial reserve basis, which guarantees availability of funds to pay benefits as prescribed by law.

### **Administration**

The statutes provide that the responsibility for the operation and administration of the retirement system is vested in The Public School Retirement System (PSRS) Board of Trustees sitting as the Board of Trustees for NTRS. The Board is comprised of three elected PSRS members, one elected Non-Teacher School Employee Retirement System (NTRS) member and three appointed trustees. The four elected trustees are selected by vote of the members and retirees of both systems. Two are elected each even-numbered calendar year to serve four-year terms. The three appointed trustees, one of whom must be a PSRS or an NTRS retiree, are named by the governor. The appointed trustees must be residents of school districts included in the retirement system but not employees of such districts nor state employees nor a state elected official.

The Board appoints an Executive Director who is responsible for employment of the retirement office staff and routine operation of the system, and who acts as advisor to the Board on all matters pertaining to the system.

### **Member Participation**

**Active Members**—are currently working in covered employment. Beginning in 1999-2000, employees contribute 4.5 percent of their gross salary to a member contribution account. These amounts are deducted by the employing district and then forwarded to NTRS by the payroll officer and applied to the member's account in the NTRS. NTRS membership is automatic, regardless of position, for all persons not covered by The Public School Retirement System who are regularly employed for 20 or more hours a week by the public school districts in Missouri (except the St. Louis and the Kansas City school districts), public junior college districts in Missouri, and of the retirement system.

NTRS membership can be elected by employees with Missouri teaching certificates who work ***in any position*** for 20 or more hours weekly but less than full time; however, PSRS membership is automatic if NTRS election is not made. The election to join NTRS must be filed with the Board of Trustees within 90 days after entering first time, part-time employment.

Since July 1, 1989, member contributions have been tax-deferred for federal and state income tax purposes under IRC 414(h)(2). Contributions are not considered as income for federal or state income tax purposes until they are paid in a lump-sum refund or in monthly benefits.

Individual accounts are maintained for all contributory members. Interest is credited each June 30 on the previous June 30 balance. The interest rate set annually by the Board of Trustees was 6 percent on June 30, 2000. Since NTRS is a defined benefit plan, benefits are based upon the member's final average salary and years of creditable service. The amount of interest credited to a member's account has no bearing on the monthly benefit amount payable at retirement.

**Inactive Members**—have contributions on deposit with NTRS but are not currently working in covered employment.

**Member's Survivors**—When a member dies before retirement, the designated beneficiary becomes eligible for a lump sum refund of the employee's contributions and interest. In lieu of the lump sum refund, beneficiaries with an insurable interest and disability retirees may elect to receive monthly benefits under the Option 2 retirement plan. Benefits are payable to the beneficiary under the Option 2 plan when the member would have been eligible for early or normal retirement.

### **Membership Termination**

Membership in the System is terminated by withdrawal of contributions, unemployment in a covered position for five consecutive school years if the member is not vested, death, or retirement.

### **Employer Participation**

The employers served by NTRS withhold members' contributions from salary payments and match employee contributions at a current rate of 4.5 percent of payroll. Employer contributions and investment earnings on those funds are placed in a general reserve account to pay monthly benefits to retirees and to beneficiaries of deceased members. It is the responsibility of the employers to remit contributions to the retirement system promptly and to supply NTRS with new membership records and members' contribution information. Employers also provide needed data when member's apply for benefits or refund of contributions upon termination of employment.

### **Refund of Contributions**

Member contributions plus interest are fully refundable upon termination of service or death. All credit and benefit rights are forfeited upon voluntary withdrawal or automatic membership termination. Voluntary withdrawal is available to members who cease covered employment. Automatic termination occurs when a non-vested member is absent from covered employment for five consecutive years. Only the money the member has contributed and accrued interest are refundable.

A member may, upon returning to covered employment, reinstate the credit forfeited through termination of a previous membership by repaying the money withdrawn plus interest.

### **Service Retirement Benefits**

Service retirement benefits are payable to persons who have terminated employment and who have met age and service requirements.

**Benefit Formula**—All service retirement benefits are based on a formula which multiplies final average salary by the applicable formula factor, by the years of credit and, in the case of early retirement, by an age reduction factor. Final average salary is obtained by dividing the total salaries for the three highest consecutive years of service (effective 7/1/00) by 36 (effective 7/1/00); the applicable factor is determined by the type of retirement eligibility; total credit is the amount accumulated at retirement for covered service and purchased credit; and the age factor, where applicable, is determined by the age at retirement.

Because of the conversion of the system from a formula integrated with Social Security to the present basis, a special "frozen benefit" is in effect for certain members for service prior to July 1, 1973.

**Normal Retirement**—A member may retire with benefits calculated under the standard (.0151) formula (effective 7/1/00) at age 60 with 5 years of credit, at less than age 50 with at least 30 years of service, and at the point where the member's age plus creditable service equals or exceeds 80 (Rule of 80). Effective 7/1/00, a member may retire under the standard (.0151) formula when the member qualifies for Rule of 80 or 30 and out AND will receive an additional .4 multiplier until he/she qualifies for Social Security benefits (currently age 62). A special provision in effect until July 1, 2003 allows members under age 55 with 25.0-29.9 years of credit to retire with benefits calculated under a modified formula factor ranging from .0141 to .0149 but with no age reduction factor applied.

**Early Retirement**—A member may retire with benefits calculated under the standard (.0151) formula (effective 7/1/00) with an age reduction factor applied, at age 55 with 5 but fewer than 25 years of credit

**Options**—A retiring member may elect to receive the maximum benefits payable under the Single Life option, or may elect to receive a reduced benefit under one of three Joint-and-Survivor options or under one of two Term-Certain options, to provide survivor benefit coverage in varying degrees after the retiree's death.

**Creditable Service**—Credit is allowed for eligible service both before and after the system began on November 1, 1965. *Prior service credit* is granted for complete years of eligible service before November 1, 1965. The credit is

allowed without contributions, but it does require filing a claim. *Membership service credit* is allowed for services after November 1, 1965 for which retirement contributions are remitted or credit is purchased. In addition to credit earned for covered service, members may purchase credit in various categories including several types of leave, outside school service, other public and private employment, active U.S. military duty, and service under the federal Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA).

#### **Disability Retirement Benefits**

Disability retirement benefits are payable to persons who have met age, service, and eligibility requirements and who because of permanent disability are unable to earn a livelihood in any occupation. The disability retirement benefit is calculated at 90 percent of the normal service retirement.

#### **Cost-of-Living Adjustments**

Cost-of-living adjustments (COLAs) are provided starting the fourth January after retirement. The annual COLA is not to exceed 5 percent, is based on the Department of Labor Consumer Index for the previous fiscal year and is applied each January to current benefit payments for eligible retirees and beneficiaries. Total lifetime COLAs are limited to 75 percent of the original retirement benefit.

#### **Handbook**

A handbook which furnishes more complete information concerning provisions of the NTRS law and regulations can be obtained from the retirement office.





# *Statistical Section*



*Revenues by Source*

*Deductions by Type*

*Summary of Changes in Membership*

*Growth Through the Years*

*1999-2000 New Service Retirees*

*1999-2000 New Retiree Statistics*

*Schedule of Retirees by Type and  
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*Average Benefit Payments to New Retirees*

*PSRS/NTRS Actuarial Assets and  
Liabilities*

*Employees Reported on the 1999-2000  
Annual Reports*

## PSRS Revenues by Source

(Dollar amounts in thousands)

Year	Employee Contributions	Employer Contributions	Investment Income	Other Income	Total
1990	\$ 164,087	\$ 164,087	\$ 522,124	\$	\$ 850,298
1991	175,914	175,914	555,852		907,680
1992	179,604	179,604	659,834		1,019,042
1993	190,865	186,293	808,048		1,185,206
1994	205,230	200,422	740,602		1,146,254
1995	222,124	211,866	1,468,062	541	1,902,593
1996	249,854	238,631	1,370,448	25,681	1,884,614
1997	264,736	251,958	2,396,120 *	494	2,913,308
1998	289,224	273,126	2,609,911	246	3,172,507
1999	302,183	287,699	1,795,732	273	2,385,887
<b>2000</b>	<b>\$ 319,579</b>	<b>\$ 304,944</b>	<b>\$ 1,455,003</b>	<b>\$ 274</b>	<b>\$ 2,079,800</b>

\* Includes recognition of previously deferred income and unrealized gains/losses as a result of adoption of GASB Statement 25.

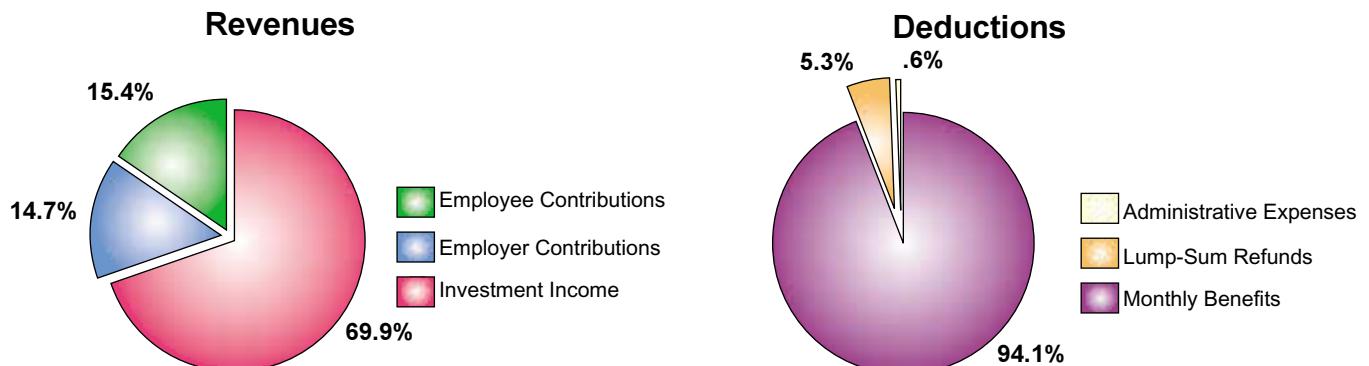
## PSRS Deductions by Type

(Dollar amounts in thousands)

Year	Monthly Benefits	Lump-Sum Refunds	Administrative Expenses*	Other	Total
1990	\$ 176,846	\$ 38,582	\$ 1,832	\$	\$ 217,260
1991	198,910	30,420	2,259		231,589
1992	226,483	18,883	2,390		247,756
1993	252,529	18,001	2,467		272,997
1994	271,798	18,681	2,287		292,766
1995	300,612	19,731	2,801	1	323,145
1996	349,698	23,256	3,763	25,045	401,762
1997	399,875	25,973	3,867	181	429,896
1998	442,850	28,409	2,827	6	474,092
1999	534,619	31,044	3,137 **	3	568,803
<b>2000</b>	<b>\$ 638,981</b>	<b>\$ 36,098</b>	<b>\$ 3,710</b>	<b>\$ 2</b>	<b>\$ 678,791</b>

\*Total does not include investment fees and expenses

\*\* Shared expenses were allocated under a new formula beginning in 1998.



## NTRS Revenues by Source

(Dollar amounts in thousands)

Year	Employee Contributions	Employer Contributions	Investment Income	Other Income	Total
1990	\$ 14,088	\$ 14,088	\$ 37,125	\$	\$ 65,301
1991	15,253	15,253	41,566		72,072
1992	15,735	15,735	48,267		79,737
1993	16,320	16,320	59,986		92,626
1994	17,766	17,618	56,613		91,997
1995	19,249	19,457	112,452*	25	151,183
1996	21,155	20,967	101,972	6	144,100
1997	24,616	24,394	183,542	11	232,563
1998	27,528	27,316	198,913	11	253,768
1999	30,372	30,013	137,142	17	197,544
<b>2000</b>	<b>\$ 34,499</b>	<b>\$ 34,186</b>	<b>\$ 113,954</b>	<b>\$ 14</b>	<b>\$ 182,653</b>

\* Includes recognition of previously deferred income and unrealized gains/losses as a result of implementation of GASB Statement 25.

## NTRS Deductions by Type

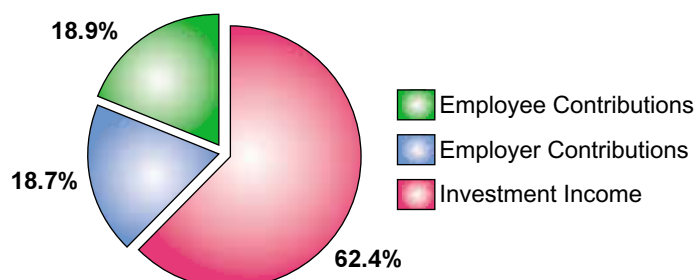
(Dollar amounts in thousands)

Year	Monthly Benefits	Lump-Sum Refunds	Administrative Expenses	Other	Total
1990	\$ 11,177	\$ 3,466	\$ 712	\$	\$ 15,355
1991	13,145	3,487	721		17,353
1992	15,079	3,779	813		19,671
1993	17,262	3,763	821		21,846
1994	19,497	4,256	901		24,654
1995	22,067	5,000	690 *		27,757
1996	25,155	5,182	769		31,106
1997	28,265	6,160	884		35,309
1998	31,338	7,121	1,470 **	1	39,930
1999	34,518	7,295	1,604	1	43,418
<b>2000</b>	<b>\$ 41,530</b>	<b>\$ 9,902</b>	<b>\$ 1,919</b>	<b>\$ 1</b>	<b>\$ 53,352</b>

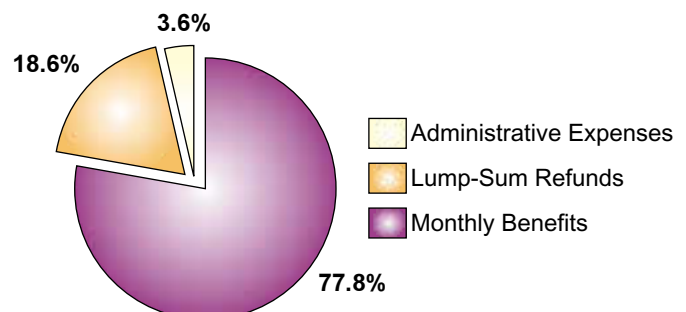
\*1995 and following years do not include investment fees and expenses.

\*\*Shared expenses were allocated under a new formula beginning in 1998.

Revenues



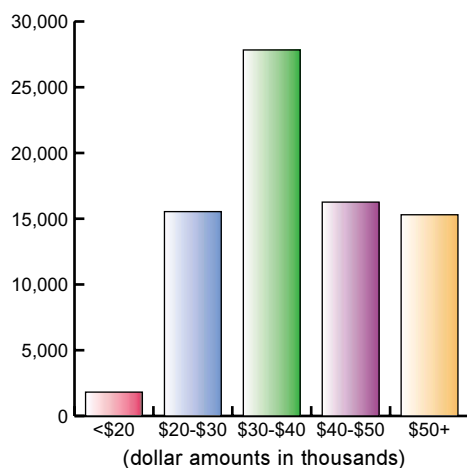
Deductions



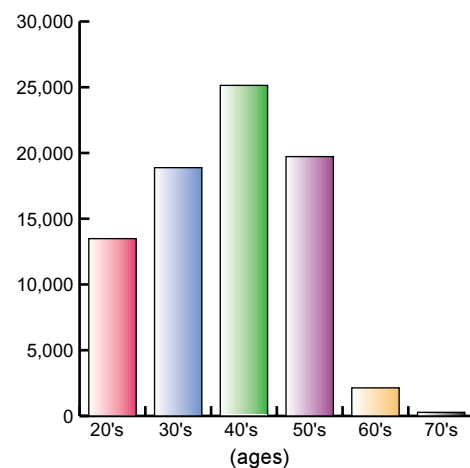
## *PSRS Summary of Changes in Membership During 1999-00*

	<u>Male</u>	<u>Female</u>	<u>Total</u>
Membership, July 1, 1999	18,551	58,818	77,369
New Members Added	1,578	5,167	6,745
Less:			
Service Retirements	769	1,362	2,131
Disability Retirements	6	39	45
Withdrawals	569	1,581	2,150
Deaths	25	61	86
Memberships Terminated	44	175	219
Other	8	30	38
	<u>1,421</u>	<u>3,248</u>	<u>4,669</u>
Net Change in Membership 1999-00	<u>157</u>	<u>1,919</u>	<u>2,076</u>
Membership June 30, 2000	<u>18,708</u>	<u>60,737</u>	<u>79,445</u>

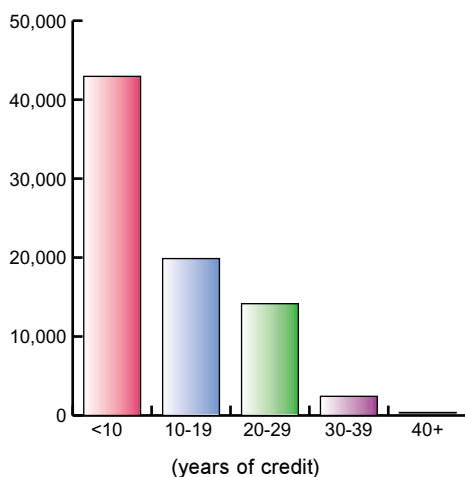
**1999-00 PSRS Members by Salary (1.0 credit)**



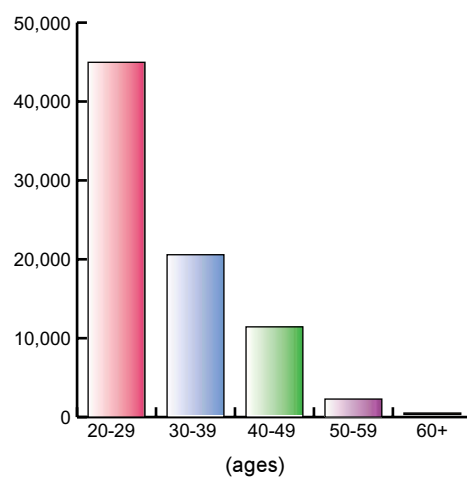
**1999-00 PSRS Members by Current Age**



**1999-00 PSRS Members by Total Credit**



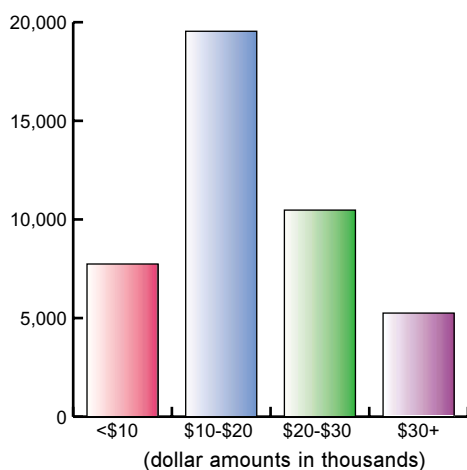
**1999-00 PSRS Age at Entry into System**



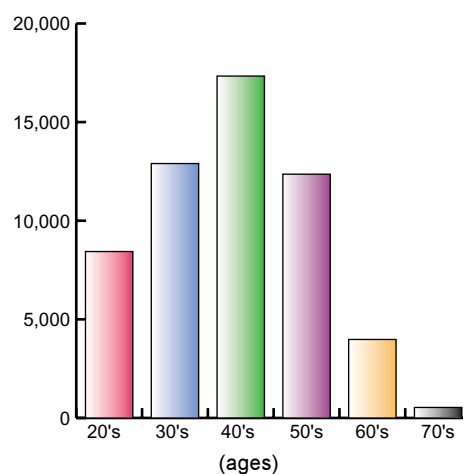
## *NTRS Summary of Changes in Membership During 1999-00*

	Male	Female	Total
Membership, July 1, 1999	13,040	38,616	51,656
New Members Added	2,594	7,258	9,852
Less:			
Service Retirements	208	753	961
Disability Retirements	20	25	45
Withdrawals	1,295	2,782	4,077
Deaths	41	36	77
Memberships Terminated	213	482	695
Other	30	79	109
	<u>1,807</u>	<u>4,157</u>	<u>5,964</u>
Net Change in Membership 1999-00	<u>787</u>	<u>3,101</u>	<u>3,888</u>
Membership June 30, 2000	<u>13,827</u>	<u>41,717</u>	<u>55,544</u>

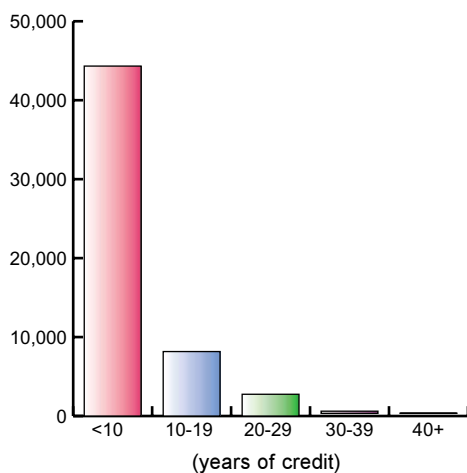
**1999-00 NTRS Members by Salary (1.0 credit)**



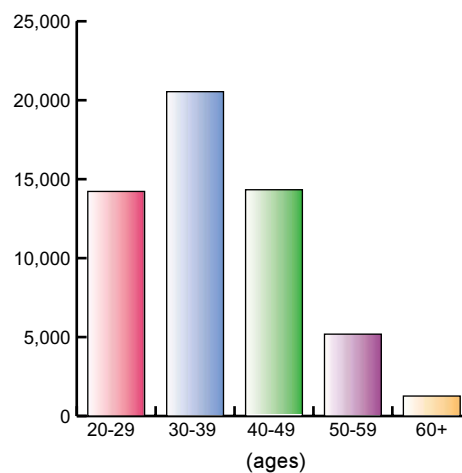
**1999-00 NTRS Members by Current Age**



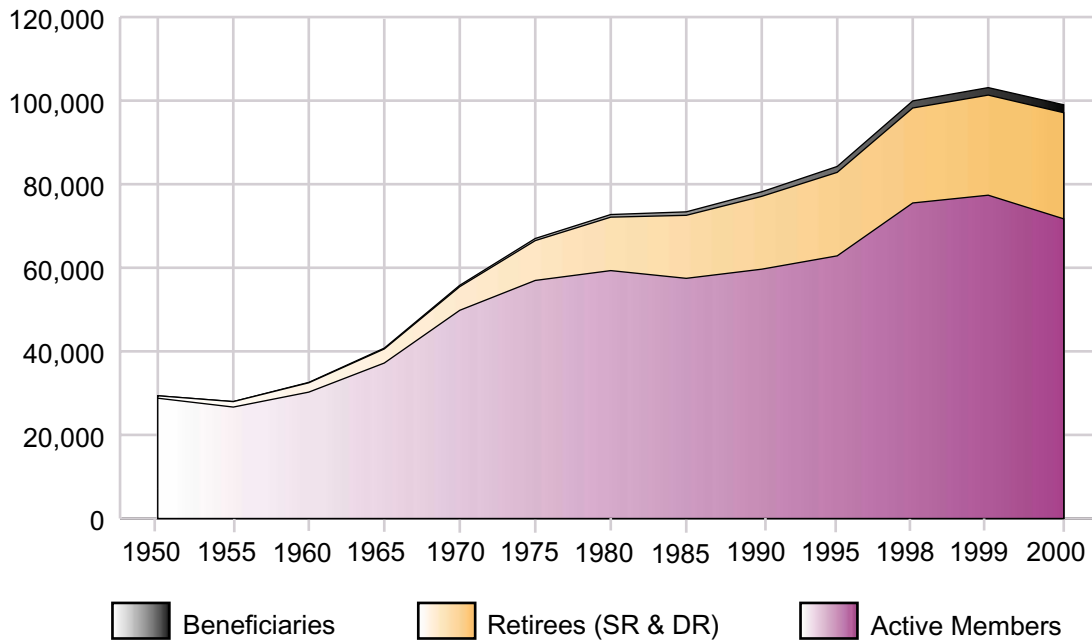
**1999-00 NTRS Members by Total Credit**



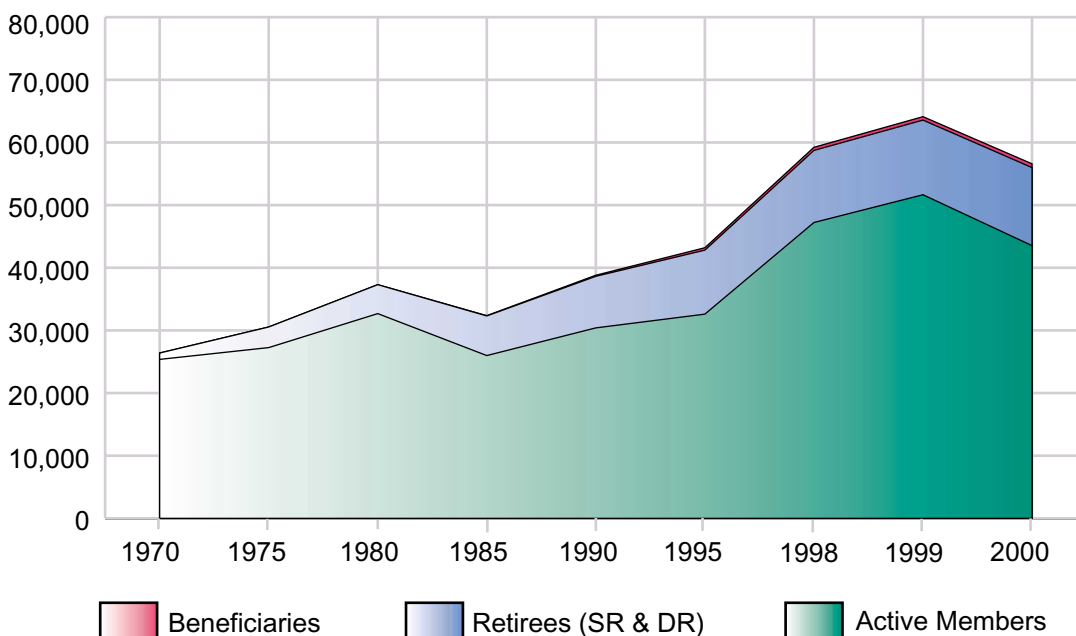
**1999-00 NTRS Age at Entry Into System**



## PSRS Growth Through the Years



## NTRS Growth Through the Years

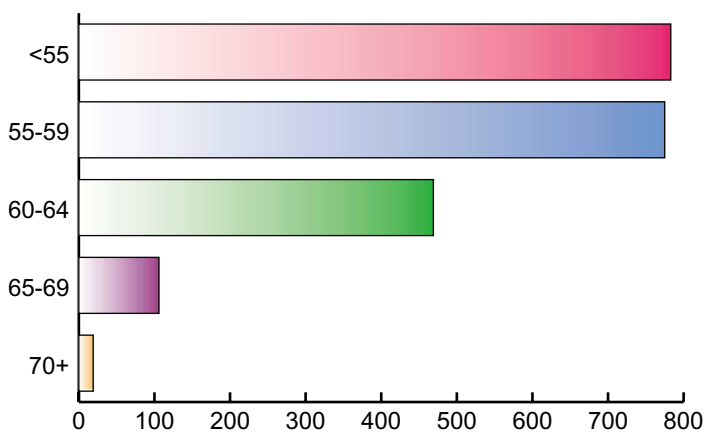


## PSRS 1999-00 New Service Retirees

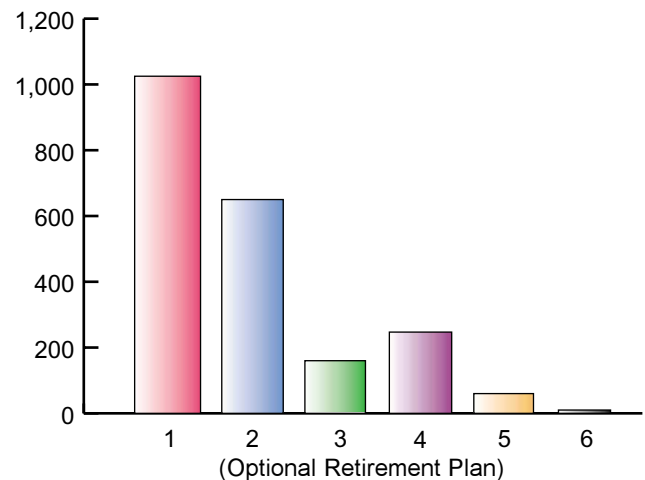
### Summary of Changes in Benefit Payments

	<u>Service Retirees</u>	<u>Disability Retirees</u>	<u>Beneficiaries</u>
Retirees July 1, 1999	23,386	569	1,793
Added during year	2,152	45	196
Died during year	(779)	(32)	(70)
Other	0	(2)	(20)
Retirees June 30, 1999	24,759	580	1,899

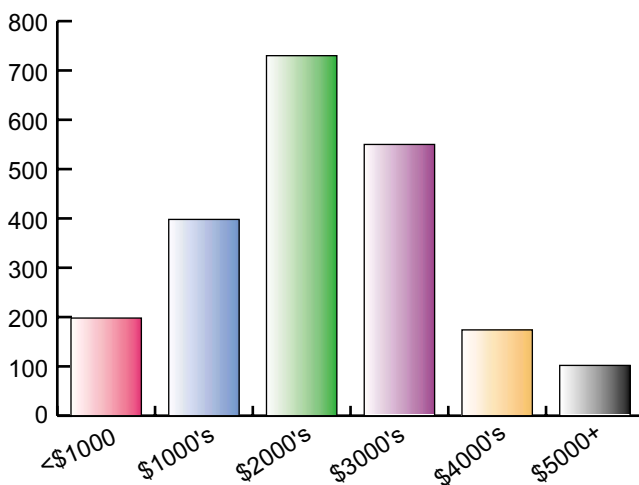
### 1999-00 New Service Retirees by Age at Retirement



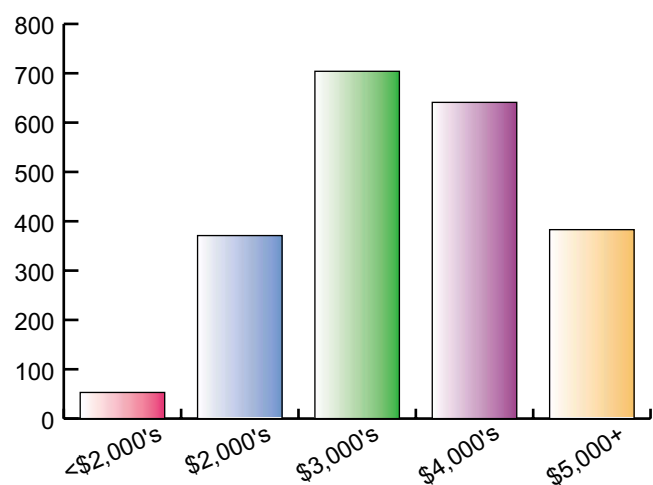
### 1999-00 New Service Retirees by Retirement Plan



### 1999-00 New Service Retirees by Single Life Benefit Amount



### 1999-00 New Service Retirees by Final Average Salary



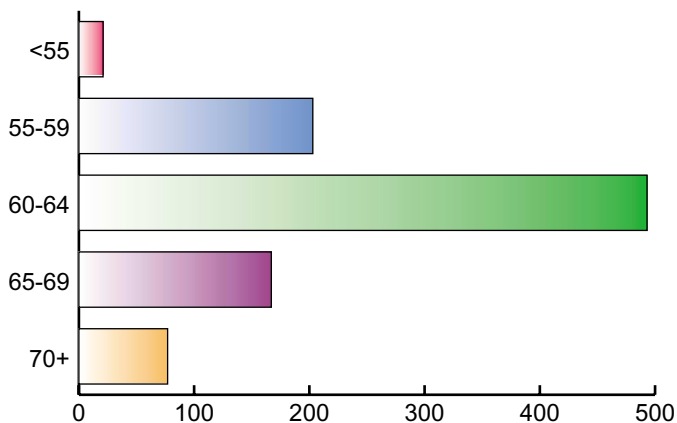


## ***NTRS 1999-00 New Service Retirees***

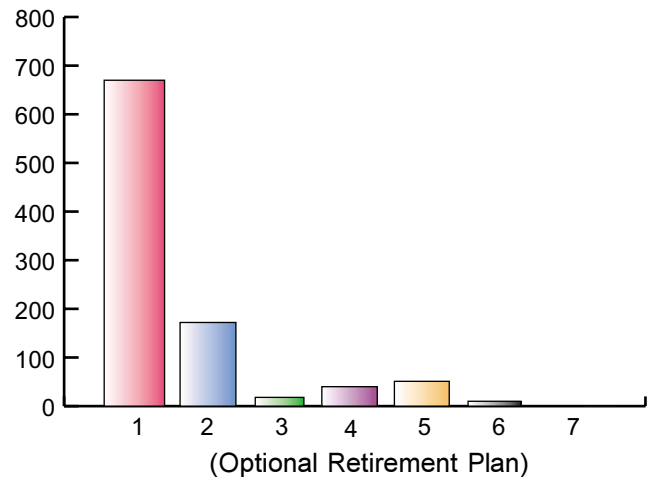
### **Summary of Changes in Benefit Payments**

	<u>Service Retirees</u>	<u>Disability Retirees</u>	<u>Beneficiaries</u>
Retirees July 1, 1999	11,600	316	545
Added during year	960	45	77
Died during year	(445)	(13)	(21)
Other	(2)	(1)	0
Retirees June 30, 2000	<u>12,113</u>	<u>347</u>	<u>601</u>

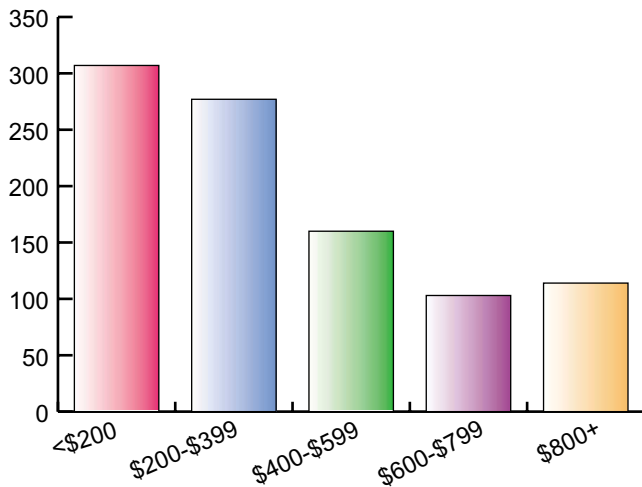
**1999-00 New Service Retirees by Age at Retirement**



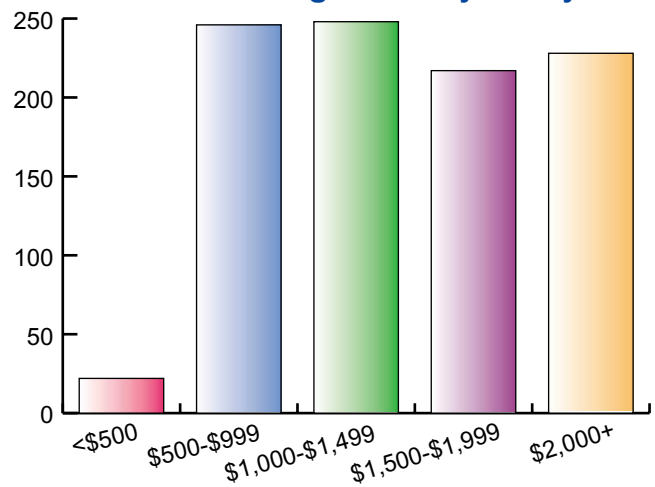
**1999-00 New Service Retirees by Retirement Plan**



**1999-00 New Service Retirees by Single Life Benefit Amount**



**1999-00 New Service Retirees by Final Average Monthly Salary**



## *PSRS Schedule of Retirees by Type (as of June 30) And Benefits by Type (for the year ended June 30)*

(Dollar amount in thousands)

Year	Service Retirees		Disability Retirees		Beneficiaries	
	Number	Benefits	Number	Benefits	Number	Benefits
1990	16,879	\$ 163,507	552	\$ 4,604	1,137	\$ 6,227
1991	17,383	184,744	555	4,995	1,196	7,078
1992	17,903	210,379	545	5,392	1,262	8,149
1993	18,618	234,933	560	5,826	1,303	9,299
1994	18,963	254,957	556	6,102	1,372	10,373
1995	19,424	281,897	558	6,427	1,412	11,821
1996	20,075	329,115	567	7,180	1,490	13,403
1997	21,140	375,518	566	7,541	1,586	15,856
1998	22,169	417,421	561	7,716	1,691	17,623
1999	23,386	504,517	569	8,717	1,793	21,385
<b>2000</b>	<b>24,759</b>	<b>\$ 601,718</b>	<b>580</b>	<b>\$ 9,762</b>	<b>1,899</b>	<b>\$ 27,501</b>

## *PSRS Average New Retiree Statistics*

Year Ending June 30	Regular Retirement Benefit	Increase From Previous Year	Age	Creditable Service
1990	\$1,617.05	7%	60.0	27.1
1991	1,763.43	8	59.5	28.4
1992	1,716.78	-3	59.3	27.8
1993	1,854.29	7	59.0	26.8
1994	2,096.35	12	58.8	27.8
1995	2,013.36	-3	58.7	26.8
1996	2,182.88	8	56.3	27.8
1997	2,310.25	6	56.9	27.8
1998	2,205.00	-5	57.1	26.8
1999	2,446.78	10	57.0	26.7
<b>2000</b>	<b>\$2,708.23</b>	<b>11%</b>	<b>57.0</b>	<b>26.4</b>

## *NTRS Schedule of Retirees by Type (as of June 30) And Benefits by Type (for the year ended June 30)*

(Dollar amount in thousands)

Year	Service Retirees		Disability Retirees		Beneficiaries	
	Number	Benefits	Number	Benefits	Number	Benefits
1990	8,070	\$ 10,773	164	\$ 200	169	\$ 223
1991	8,505	12,616	175	232	219	318
1992	8,904	14,403	196	287	260	414
1993	9,257	16,464	215	347	293	478
1994	9,557	18,534	235	417	344	572
1995	9,967	20,842	249	481	383	699
1996	10,376	23,785	267	550	415	820
1997	10,811	26,555	276	598	460	967
1998	11,218	29,599	288	665	497	1,074
1999	11,600	32,548	316	745	545	1,225
<b>2000</b>	<b>12,113</b>	<b>\$ 39,072</b>	<b>347</b>	<b>\$ 945</b>	<b>601</b>	<b>\$ 1,513</b>

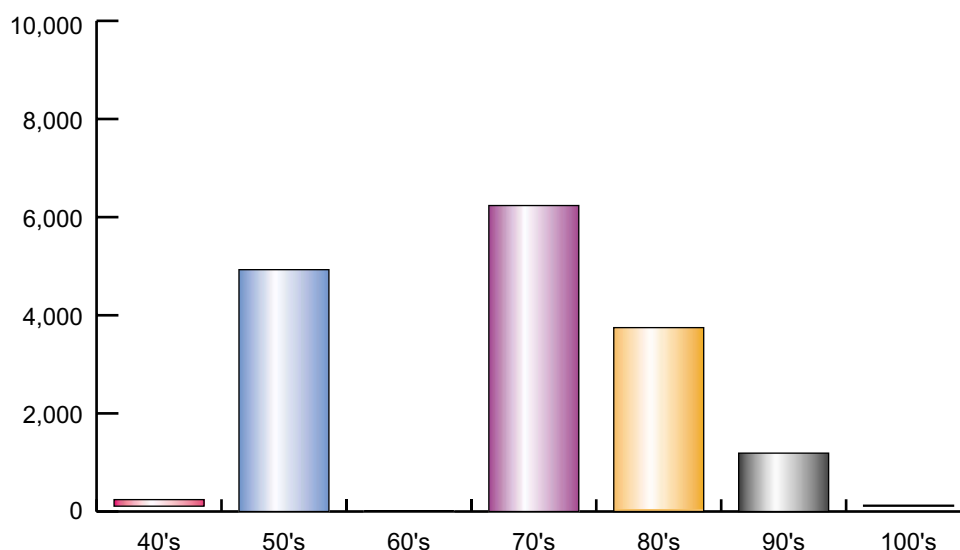
## *NTRS Average New Retiree Statistics*

Year Ending June 30	New Service Retirees	Average New Monthly Benefit	% Increase/Decrease From Previous Year
1980	445	\$ 65.86	6%
1981	427	77.77	18
1982	552	87.44	12
1983	552	101.40	16
1984	441	115.00	13
1985	561	128.14	11
1986	617	149.01	16
1987	634	180.48	21
1988	453	196.37	9
1989	633	195.10	0
1990	559	222.15	14
1991	606	228.87	3
1992	609	242.19	6
1993	597	275.23	12
1994	571	306.20	11
1995	679	298.76	-3
1996	797	330.40	11
1997	809	336.86	2
1998	834	338.02	0
1999	796	344.27	2
<b>2000</b>	<b>962</b>	<b>\$ 398.09</b>	<b>16%</b>

## PSRS Schedule of Average Benefit Payments to New Retirees

Retirement Effective Dates	Years of Credit				
	5-10	10-20	20-30	30-40	40 +
<b>1999-00</b>					
Average Monthly Benefit	\$ 505.60	\$ 1,127.90	\$ 2,472.05	\$ 3,513.50	\$ 5,208.22
Average Final Average Salary	\$ 2,949.00	\$ 3,309.97	\$ 3,900.41	\$ 4,447.34	\$ 5,209.06
Number of Retirees	95	218	913	912	14
<b>1998-99</b>					
Average Monthly Benefit	\$ 429.45	\$ 994.13	\$ 2,211.31	\$ 3,159.40	\$ 4,455.55
Average Final Average Salary	\$ 2,921.90	\$ 2,827.44	\$ 3,576.31	\$ 3,986.81	\$ 4,531.66
Number of Retirees	82	206	1120	526	12
<b>1997-98</b>					
Average Monthly Benefit	\$ 443.62	\$ 921.12	\$ 2,008.50	\$ 2,839.48	\$ 3,406.63
Average Final Average Salary	\$ 2,716.17	\$ 2,781.28	\$ 3,502.13	\$ 3,899.53	\$ 3,574.90
Number of Retirees	43	203	757	722	23
<b>1996-97</b>					
Average Monthly Benefit	\$ 391.92	\$ 902.28	\$ 1,889.21	\$ 2,718.27	\$ 3,439.68
Average Final Average Salary	\$ 2,270.11	\$ 2,703.67	\$ 3,307.59	\$ 3,736.23	\$ 3,602.36
Number of Retirees	42	176	843	704	23
<b>1995-96</b>					
Average Monthly Benefit	\$ 396.17	\$ 890.47	\$ 1,906.62	\$ 2,692.42	\$ 3,205.05
Average Final Average Salary	\$ 2,516.57	\$ 2,641.27	\$ 3,298.66	\$ 3,678.71	\$ 3,303.11
Number of Retirees	34	179	503	598	25
<b>1994-95</b>					
Average Monthly Benefit	\$ 376.73	\$ 871.16	\$ 1,858.00	\$ 2,519.17	\$ 2,908.20
Average Final Average Salary	\$ 2,352.30	\$ 2,568.05	\$ 3,221.26	\$ 3,441.84	\$ 2,991.47
Number of Retirees	30	145	427	508	26

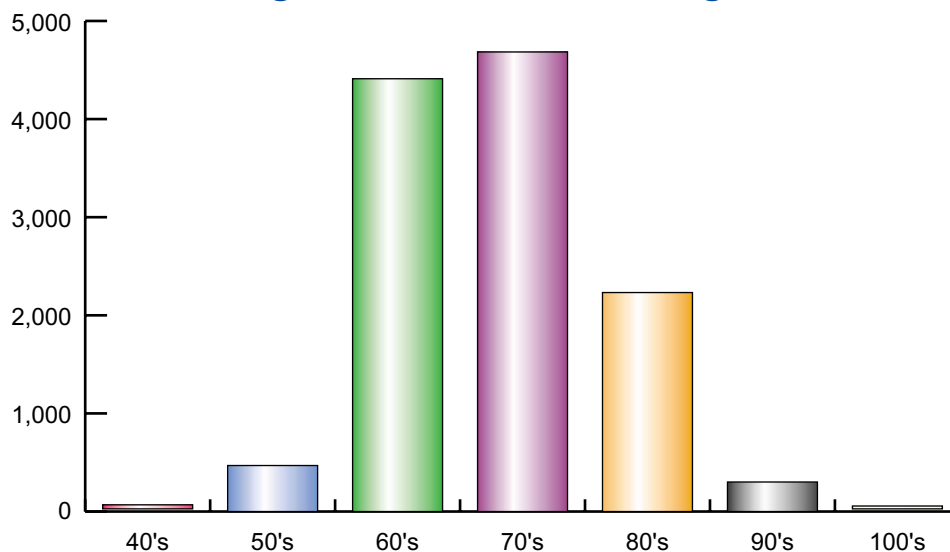
## Ages of Retirees Receiving Benefits



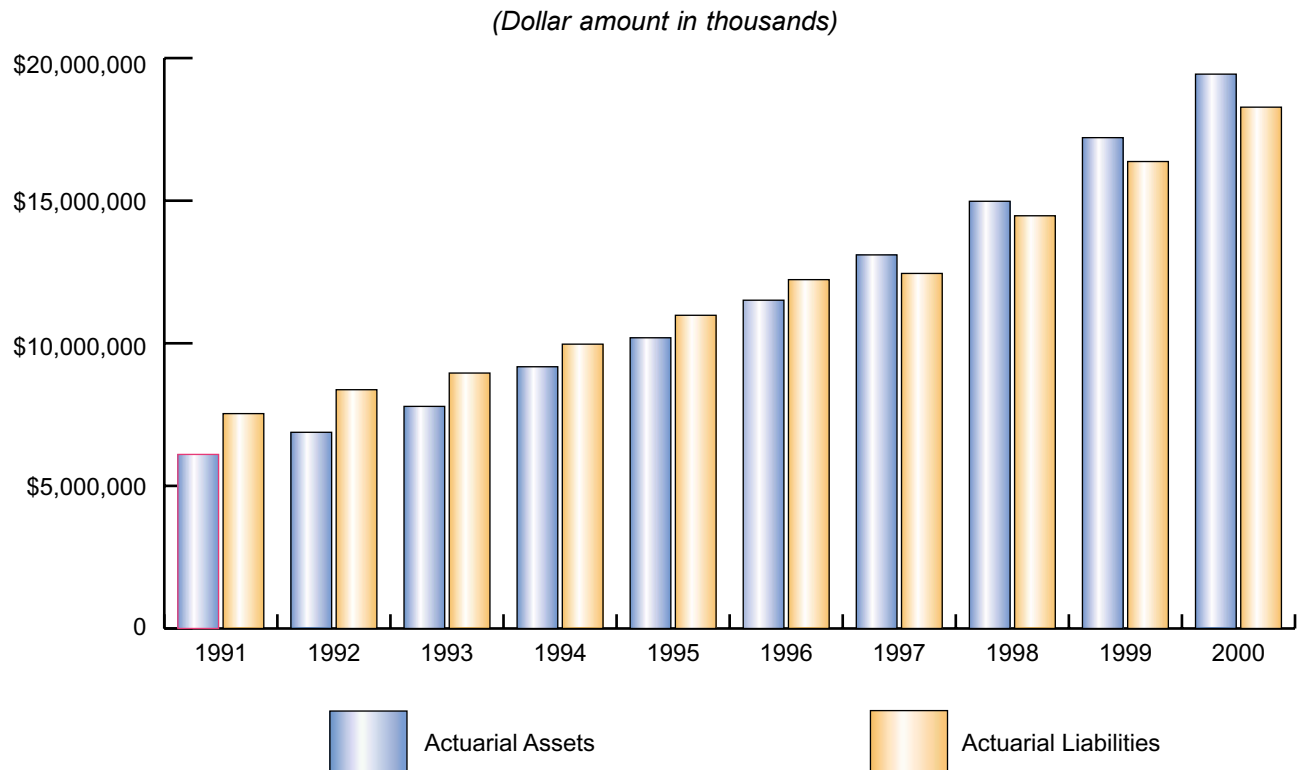
## *NTRS Schedule of Average Benefit Payments to New Retirees*

Retirement Effective Dates	Years of Credit			
	5-10	10-20	20-30	30 +
<b>1999-00</b>				
Average Monthly Benefit	\$ 120.36	\$ 309.74	\$ 594.02	\$ 876.45
Average Final Average Salary	\$ 1,188.34	\$ 1,524.28	\$ 1,735.23	\$ 1,852.86
Number of Retirees	213	374	307	67
<b>1998-99</b>				
Average Monthly Benefit	\$ 110.51	\$ 270.07	\$ 507.31	\$ 824.22
Average Final Average Salary	\$ 1,190.23	\$ 1,405.33	\$ 1,580.10	\$ 1,915.99
Number of Retirees	187	300	259	50
<b>1997-98</b>				
Average Monthly Benefit	\$ 105.89	\$ 265.24	\$ 536.23	\$ 734.66
Average Final Average Salary	\$ 1,111.83	\$ 1,400.57	\$ 1,632.67	\$ 1,703.00
Number of Retirees	193	344	245	53
<b>1996-97</b>				
Average Monthly Benefit	\$ 119.00	\$ 250.00	\$ 504.00	\$ 710.00
Average Final Average Salary	\$ 1,206.00	\$ 1,313.00	\$ 1,571.00	\$ 1,614.00
Number of Retirees	184	301	269	57
<b>1995-96</b>				
Average Monthly Benefit	\$ 123.00	\$ 255.00	\$ 461.00	\$ 799.00
Average Final Average Salary	\$ 1,241.00	\$ 1,348.00	\$ 1,441.00	\$ 1,832.00
Number of Retirees	175	312	254	57
<b>1994-95</b>				
Average Monthly Benefit	\$ 104.00	\$ 223.00	\$ 402.00	\$ 732.00
Average Final Average Salary	\$ 1,150.00	\$ 1,222.00	\$ 1,362.00	\$ 1,827.00
Number of Retirees	159	330	244	43

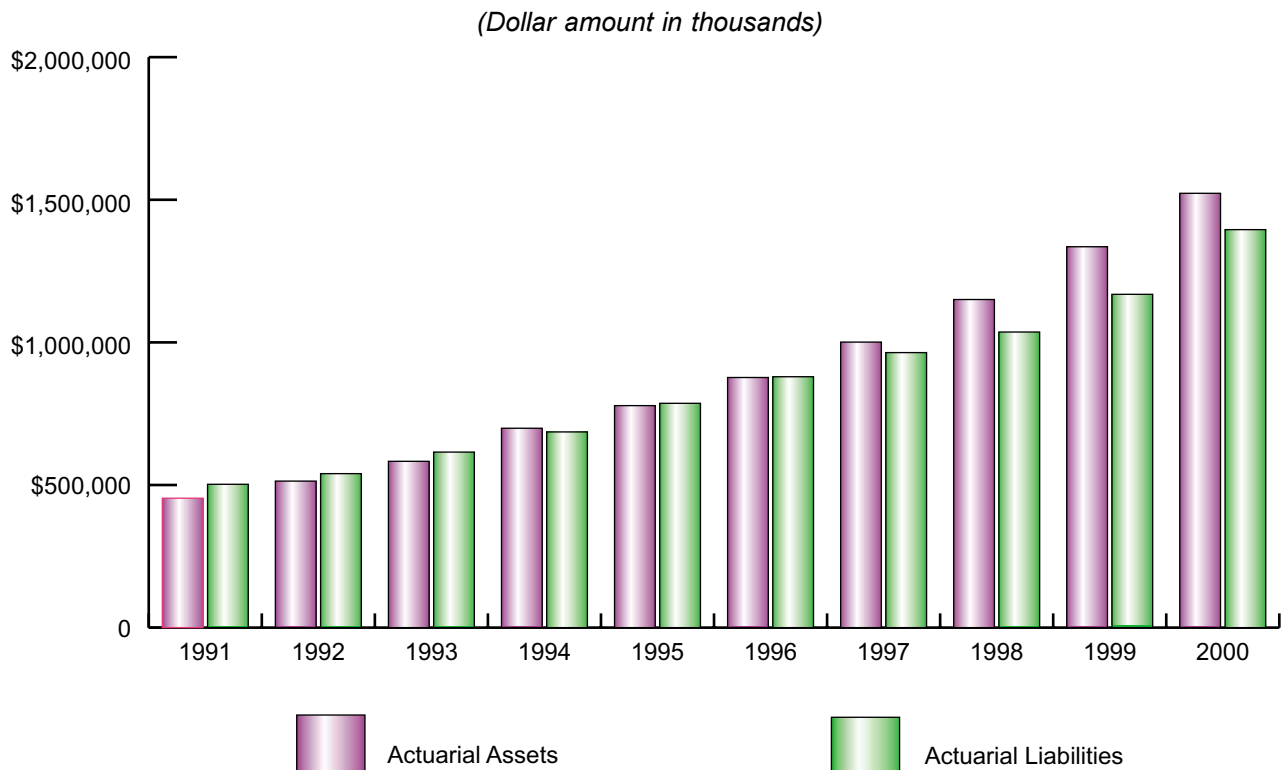
### Ages of Retirees Receiving Benefits



## *PSRS Comparison of Actuarial Assets and Total Actuarial Liabilities*



## *NTRS Comparison of Actuarial Assets and Total Actuarial Liabilities*



## Employees Reported on the 1999-00 Annual Reports

DISTRICT	PSRS	NTRS	TOTAL	DISTRICT	PSRS	NTRS	TOTAL
Special School Dist-St. Louis	2,435	1,941	4,376	Nevada R-V Schools	238	137	375
Springfield R-XII Schools	1,877	1,336	3,213	McDonald Co. C-1 Schools	244	130	374
Parkway C-2 Schools	1,729	1,264	2,993	Kirkville R-III Schools	218	149	367
Rockwood R-VI Schools	1,447	1,164	2,611	Ozarks Technical Comm. College	241	125	366
North Kansas City Schools	1,394	1,070	2,464	Willard R-II Schools	236	126	362
Hazelwood R-I Schools	1,425	958	2,383	Moberly Public Schools	224	137	361
Columbia Public Schools	1,382	898	2,280	Union R-XI Schools	222	139	361
Francis Howell R-III Schools	1,444	697	2,141	Branson R-IV Schools	217	142	359
Independence Public Schools	905	1,099	2,004	Perry County 32 Schools	219	137	356
Ferguson-Florissant R-2 School	989	852	1,841	Excelsior Springs 40 Schools	244	108	352
Lee's Summit R-VII Schools	972	857	1,829	Dallas County R-I Schools	179	161	340
Ft. Zumwalt R-II Schools	1,150	623	1,773	Warren Co. R-III Schools	194	136	330
Blue Springs R-IV Schools	868	726	1,594	Windsor C-1 Schools	210	117	327
St. Joseph Public Schools	981	582	1,563	Jefferson College	184	142	326
Park Hill Schools	686	525	1,211	Jennings Public Schools	221	105	326
Fox C-6 Schools	728	465	1,193	Chillicothe R-II Schools	193	132	325
Raytown C-2 Schools	655	515	1,170	Marshall Public Schools	220	103	323
Mehlville R-IX Schools	771	366	1,137	Bolivar R-I Schools	199	123	322
Metropolitan Community College	425	691	1,116	St. Clair R-XIII Schools	177	145	322
Joplin R-VIII Schools	619	488	1,107	Clinton Public Schools	204	116	320
Jefferson City Public Schools	698	367	1,065	Harrisonville R-IX Schools	204	106	310
Hickman Mills C-1 Schools	659	341	1,000	Republic R-III Schools	204	104	308
Liberty Public Schools	508	438	946	Carl Junction R-I Schools	183	124	307
Northwest R-I Schools	576	367	943	Potosi R-III Schools	174	126	300
Pattonville R-III Schools	574	342	916	Reeds Spring R-IV Schools	182	116	298
St. Louis Community College	871		871	Eldon R-I Schools	174	115	289
Riverview Gardens Schools	503	337	840	Kennett 39 Public Schools	185	103	288
Fort Osage R-I Schools	416	410	826	Monett R-I Schools	167	119	286
St. Charles Co. R-VI Schools	518	256	774	Kearney R-1 Schools	197	86	283
Wentzville R-IV Schools	426	296	722	New Madrid Co. R-I Schools	198	82	280
Normandy Public Schools	415	297	712	Crowder College	203	73	276
Poplar Bluff R-I Schools	430	273	703	Savannah R-III Schools	184	92	276
Ritenour Public Schools	491	182	673	Marshfield R-I Schools	195	79	274
Kirkwood R-VII Schools	366	295	661	Moberly Area Community College	169	105	274
Waynesville R-VI Schools	440	219	659	Mountain Grove R-III Schools	154	119	273
Grandview C-4 Schools	376	282	658	Aurora R-VIII Schools	155	115	270
University City Public Schools	350	272	622	Platte County R-III Schools	179	89	268
Sikeston R-VI Schools	334	287	621	East Central College	168	98	266
Cape Girardeau Public Schools	400	215	615	Festus R-VI Schools	162	101	263
Lindbergh R-VIII Schools	397	195	592	Ste. Genevieve R-II Schools	161	101	262
Rolla 31 Public Schools	347	237	584	Cassville R-IV Schools	139	122	261
Sedalia 200 Public Schools	352	215	567	Dexter R-IX Schools	169	90	259
Belton 124 Public Schools	337	210	547	Odessa R-VII Schools	191	66	257
Jackson R-II Schools	315	222	537	Owensville R-II Schools	164	91	255
Webster Groves Public Schools	306	230	536	Knob Noster R-VIII Schools	167	86	253
Ladue Public Schools	355	177	532	State Fair Community College	181	69	250
Hannibal 60 Public Schools	321	209	530	Maryville R-II Schools	173	76	249
Meramec Valley R-III Schools	301	229	530	Sullivan C-2 Schools	171	66	237
Clayton Public Schools	313	215	528	Central R-III Schools	149	83	232
Raymore-Peculiar R-II Schools	312	215	527	Fredericktown R-I Schools	142	90	232
Camdenton R-III Schools	308	199	507	Richmond R-XVI Schools	149	82	231
Lebanon R-III Schools	314	186	500	Greene Co. R-VIII Schools	139	89	228
Neosho R-V Schools	297	202	499	St. James R-I Schools	141	87	228
Washington Public Schools	302	193	495	Cameron R-I Schools	144	83	227
Fulton Public Schools	212	272	484	Doniphan R-I Schools	144	83	227
Farmington R-VII Schools	294	165	459	Oak Grove R-VI Schools	146	75	221
Webb City R-VII Schools	261	195	456	School of the Osage R-II Sch.	136	75	211
Warrensburg R-VI Schools	286	169	455	Morgan Co. R-II Schools	130	80	210
DeSoto Public Schools	251	195	446	Charleston R-I Schools	118	88	206
Carthage R-IX Schools	274	164	438	Salem R-80 Schools	122	84	206
West Plains R-VII Schools	229	192	421	Boonville R-I Schools	140	65	205
Troy R-III Schools	262	150	412	Grain Valley R-V Schools	122	83	205
Hillsboro R-III Schools	250	161	411	Maplewood-Richmond Heights Sch	125	78	203
Center Public Schools	253	154	407	Seneca R-VII Schools	135	68	203
N. St. Francois R-I Schools	248	159	407	Brookfield R-III Schools	129	72	201
Nixa R-II Schools	299	105	404	Bowling Green R-I Schools	126	73	199
St. Charles Comm. College	203	198	401	Macon Co. R-1 Schools	129	69	198
Ozark R-VI Schools	277	118	395	North Central Comm. College	86	110	196
Mexico Public Schools	224	155	379	Lamar R-I Schools	126	68	194
Aftton 101 Schools	213	162	375	Ava R-I Schools	131	62	193



DISTRICT	PSRS	NTRS	TOTAL	DISTRICT	PSRS	NTRS	TOTAL
Holden R-III Schools	127	66	193	Portageville Schools	80	40	120
Caruthersville 18 Schools	135	57	192	Pike County R-III Schools	76	41	117
Mountain View R-III Schools	119	71	190	Putnam Co. R-I Schools	75	42	117
Three Rivers Community College	132	57	189	Laclede Co. R-I Schools	72	44	116
Dunklin R-V Schools	118	68	186	Pemiscot Co. Special Schools	65	51	116
Pleasant Hill R-III Schools	125	61	186	Seymour R-II Schools	71	44	115
St. Charles Co. R-V Schools	103	82	185	Van-Far R-I Schools	80	35	115
North Callaway Co R-I Schools	120	64	184	Alton R-IV Schools	75	39	114
Winfield R-IV Schools	115	68	183	Gainesville R-V Schools	71	43	114
Lexington R-V Schools	121	60	181	Hamilton R-II Schools	73	41	114
Smithville R-II Schools	124	56	180	Jefferson Co R-VII Schools	60	54	114
Crawford County R-II Schools	113	66	179	Licking R-VIII Schools	68	46	114
Malden R-I Schools	114	65	179	Marceline R-V Schools	76	38	114
Warsaw R-IX Schools	101	78	179	Sherwood Cass R-VIII Schools	73	41	114
Clearwater R-I Schools	97	81	178	Miller R-II Schools	63	50	113
Mineral Area Community College	96	82	178	Blue Eye R-V Schools	69	42	111
Willow Springs R-IV Schools	108	70	178	Elsberry R-II Schools	75	36	111
Montgomery Co. R-II Schools	119	58	177	Fair Grove R-X Schools	82	29	111
Hancock Place Public Schools	129	47	176	Southwest R-V Schools	73	36	109
Moniteau Co. R-I Schools	111	65	176	Westran R-I Schools	64	45	109
East Newton Co. R-VI Schools	123	51	174	Osage County R-III Schools	73	35	108
East Prairie R-II Schools	96	78	174	Scotland Co. R-1 Schools	63	45	108
Lafayette Co. C-1 Schools	106	68	174	Diamond R-IV Schools	67	40	107
Houston R-I Schools	113	60	173	Grandview R-II Schools	72	35	107
Arcadia Valley R-II Schools	115	55	170	Windsor R-I Schools	67	40	107
Dept. of Elem. & Secondary Ed.	168		168	Hickory County R-I Schools	61	45	106
Hollister R-V Schools	92	71	163	Pierce City R-VI Schools	72	34	106
Trenton R-IX Schools	109	54	163	Puxico R-VIII Schools	68	38	106
South Callaway Co R-II Schools	101	59	160	Iberia R-V Schools	62	43	105
Mt. Vernon R-V Schools	112	45	157	Cole Camp R-I Schools	66	38	104
Wright City R-II Schools	102	55	157	Jasper Co. R-V Schools	64	40	104
Dixon R-I Schools	93	62	155	Mansfield R-IV Schools	73	31	104
Forsyth R-III Schools	88	67	155	Senath-Hornersville C-8 School	67	37	104
South Harrison Co. R-2 Schools	96	58	154	W. St. Francois R-IV Schools	79	25	104
El Dorado Springs R-II Schools	109	43	152	Woodland R-IV Schools	75	28	103
Palmyra R-I Schools	96	55	151	Ash Grove R-IV Schools	69	33	102
Carrollton R-VII Schools	95	53	148	Plattsburg R-III Schools	77	25	102
Gasconade Co. R-I Schools	95	52	147	Cole Co. R-V Schools	70	31	101
Lawson R-XIV Schools	101	45	146	Laquey R-V Schools	65	36	101
Southern Boone Co R-I Schools	93	53	146	Marionville R-IX Schools	69	31	100
Clark Co. R-I Schools	101	44	145	Purdy R-II Schools	57	43	100
Strafford R-VI Schools	94	49	143	Salisbury R-IV Schools	59	41	100
Twin Rivers R-X Schools	94	49	143	Sparta R-III Schools	67	32	99
Valley Park Public Schools	85	58	143	Morgan Co. R-I Schools	61	37	98
Bourbon R-I Schools	82	59	141	Neelyville R-IV Schools	58	40	98
Butler R-V Schools	99	41	140	Fayette R-3 Schools	72	24	96
Stockton R-I Schools	85	55	140	Milan C-2 Schools	58	38	96
Lewis County C-1 Schools	89	50	139	North Platte Co. R-I Schools	65	31	96
Brentwood Public Schools	90	48	138	Southern Reynolds R-II Schools	49	47	96
Shelby Co. R-IV Schools	92	46	138	Cole Co. R-II Schools	58	37	95
Maries Co. R-II Schools	78	56	134	Bloomfield R-XIV Schools	68	26	94
Centralia R-VI Schools	98	35	133	Fordland R-III Schools	61	33	94
Scott Co. R-IV Schools	89	42	131	Cole County R-I Schools	66	27	93
Hayti R-II Schools	92	38	130	Hartville R-II Schools	66	27	93
Kingston K-14 Schools	82	48	130	Paris R-II Schools	58	35	93
Cabool R-IV Schools	81	48	129	Johnson Co. R-VII Schools	57	35	92
Louisiana R-II Schools	79	50	129	Sarcozie R-II Schools	56	36	92
Knox Co. R-I Schools	77	50	127	Sturgeon R-V Schools	51	41	92
Wellston Public Schools	77	50	127	West Platte Co. R-II Schools	66	26	92
Boone County R-IV Schools	91	35	126	Bismarck R-V Schools	63	28	91
Scott City R-I Schools	83	43	126	Wellsville Middletown R-1 Sch.	52	39	91
Monroe City R-I Schools	81	44	125	Callaway County R-III Schools	50	40	90
Schuyler County R-I Schools	75	50	125	Campbell R-II Schools	59	31	90
Steelville R-III Schools	76	49	125	Crane R-III Schools	65	23	88
East Buchanan Co C-1 Schools	85	39	124	Scott Co. R-II Schools	56	32	88
Lathrop R-II Schools	81	43	124	Smithton R-VI Schools	55	33	88
Spokane R-VII Schools	82	42	124	South Pemiscot Co. R-V Schools	64	24	88
Bayless Public Schools	103	20	123	Iron Co. C-4 Schools	48	39	87
Greenville R-II Schools	73	50	123	Albany R-III Schools	53	33	86
Pleasant Hope R-VI Schools	81	42	123	Gallatin R-V Schools	56	30	86
Osage Co. R-II Schools	73	48	121	Van Buren R-I Schools	54	32	86
Ralls Co. R-I Schools	84	37	121	Adrian R-III Schools	55	30	85
East Carter Co. R-II Schools	72	48	120	Moniteau Co. R-VI Schools	54	31	85

DISTRICT	PSRS	NTRS	TOTAL	DISTRICT	PSRS	NTRS	TOTAL
Greenfield R-IV Schools	51	33	84	Billings R-IV Schools	46	13	59
Marion C. Early R-5 Schools	56	28	84	Climax Springs R-IV Schools	32	27	59
Mid-Buchanan Co R-V Schools	64	20	84	Fair Play R-II Schools	36	23	59
Pulaski Co. R-IV Schools	58	26	84	Gideon 37 Public Schools	40	19	59
Thayer R-II Schools	57	27	84	LaPlata R-II Schools	41	18	59
Tarkio R-I Schools	51	32	83	South Holt Co. R-1 Schools	43	16	59
Newburg R-II Schools	51	31	82	Buchanan Co. R-IV Schools	39	19	58
Clever R-V Schools	54	27	81	Bunker R-III Schools	32	26	58
Crystal City Public Schools	59	22	81	Dent-Phelps R-III Schools	34	24	58
Maries Co. R-I Schools	58	23	81	Exeter R-VI Schools	33	25	58
Maysville R-I Schools	63	18	81	Niangua R-5 Schools	40	18	58
Meadow Heights R-II Schools	51	30	81	Orrick R-XI Schools	38	20	58
Midway R-I Schools	54	27	81	Shelby Co. C-1 Schools	41	16	57
Canton R-V Schools	57	23	80	Eminence R-I Schools	38	18	56
Fairview R-XI Schools	49	31	80	Howard County R-II Schools	38	18	56
New Haven Public Schools	47	33	80	Kirbyville R-VI Schools	35	21	56
Camden County R-II Schools	52	26	78	Oak Ridge R-VI Schools	38	18	56
Lesterville R-IV Schools	42	36	78	Polo R-VII Schools	37	19	56
Norwood R-I Schools	51	27	78	Adair Co. R-1 Schools	36	19	55
Plato R-V Schools	49	29	78	North Andrew Co. R-VI Schools	37	17	54
Public School Retirement System	9	69	78	North Nodaway Co. R-VI Schools	33	21	54
Pulaski County R-II Schools	54	23	77	Bakersfield R-IV Schools	29	24	53
Summersville R-II Schools	55	22	77	Green City R-I Schools	33	20	53
Lakeland R-III Schools	48	28	76	Holt Co. R-II Schools	36	17	53
Princeton R-V Schools	52	24	76	Naylor R-II Schools	35	18	53
Winona R-III Schools	51	24	75	Clarkton C-4 Schools	33	19	52
Bernie R-XIII Schools	48	26	74	LaMonte R-IV Schools	37	15	52
New Franklin R-1 Schools	46	28	74	Northeast Vernon Co. R-I	29	23	52
Weaubleau R-III Schools	42	32	74	Walnut Grove R-V Schools	34	18	52
Liberal R-II Schools	50	23	73	Grundy Co. R-V Schools	25	26	51
Rich Hill R-IV Schools	45	28	73	Halfway R-III Schools	32	19	51
Lone Jack C-6 Schools	44	28	72	Macks Creek R-5 Schools	35	16	51
Valley R-VI Schools	44	28	72	NE Nodaway Co. R-V Schools	34	17	51
Cass Co. R-V Schools	47	24	71	Hermitage R-IV Schools	32	18	50
Concordia R-II Schools	46	25	71	Linn Co. R-I Schools	30	20	50
Green Ridge R-VIII Schools	43	28	71	Oran R-III Schools	36	14	50
Laclede County C-5 Schools	43	28	71	St. Elizabeth R-IV Schools	33	17	50
Galena R-II Schools	48	21	69	Brunswick R-II Schools	33	16	49
Lockwood R-I Schools	44	25	69	Hurley R-I Schools	32	17	49
Richland R-I Schools	41	28	69	Otterville R-VI Schools	29	19	48
Scott Co. R-V Schools	44	25	69	Delta R-V Schools	33	14	47
Slater Public Schools	47	22	69	Drexel R-IV Schools	34	13	47
Sweet Springs R-VII Schools	47	22	69	Osage County R-I Schools	32	15	47
Wheatland R-II Schools	34	35	69	Silex R-I Schools	33	14	47
Lincoln R-II Schools	45	23	68	Cooper Co. C-4 Schools	32	14	46
Lonedell R-XIV Schools	42	26	68	Couch R-I Schools	32	14	46
Nodaway-Holt R-VII Schools	43	25	68	Fairfax R-III Schools	30	16	46
Community R-VI Schools	38	29	67	Nell Holcomb R-IV Schools	30	16	46
Leeton R-X Schools	35	32	67	Oregon-Howell R-III Schools	30	16	46
West Nodaway Co. R-I Schools	44	23	67	Marion Co. R-II Schools	31	14	45
Braymer C-4 Schools	41	25	66	North Mercer Co. R-III Schools	26	19	45
Osceola Schools	51	15	66	North Wood R-IV Schools	26	19	45
Rock Port R-II Schools	47	19	66	Renick R-V Schools	26	19	45
South Iron Co. R-I Schools	48	18	66	Stewartville C-2 Schools	32	13	45
Gentry County R-II Schools	46	19	65	SW Livingston Co. R-1 Schools	33	12	45
Harrisburg R-VIII Schools	43	22	65	Bronaugh R-VII Schools	27	17	44
Humansville R-IV Schools	43	22	65	Marquand Zion R-VI Schools	30	14	44
Appleton City R-II Schools	48	16	64	Meadville R-IV Schools	32	12	44
King City R-I Schools	43	21	64	South Nodaway Co. R-IV Schools	28	16	44
Santa Fe R-X Schools	41	23	64	Jefferson C-123 Schools	30	13	43
Worth Co. R-III Schools	43	21	64	Keytesville R-III Schools	28	15	43
Dora R-III Schools	37	26	63	Sunrise R-IX Schools	29	14	43
Southland C-9 Schools	40	23	63	Tri-County R-VII Schools	28	15	43
Advance R-IV Schools	43	18	61	Zalma R-V Schools	27	16	43
Lutie R-VI Schools	37	24	61	Adair County R-II Schools	28	14	42
North Pemiscot R-I Schools	41	20	61	Chadwick R-I Schools	30	12	42
Pettis Co. R-V Schools	41	20	61	Cooter R-IV Schools	28	14	42
Verona R-VII Schools	35	26	61	Junction Hill C-12 Schools	27	15	42
Wheaton R-III Schools	42	19	61	Miller County R-III Schools	28	14	42
Holcomb R-III Schools	41	19	60	Norborne R-VIII Schools	29	13	42
NE Randolph R-IV Schools	33	27	60	North Harrison Co. R-3 Schools	26	16	42
Richards R-V Schools	38	22	60	Pattonsburg R-II Schools	28	14	42
Wellington-Napoleon R-IX Sch.	42	18	60	Winston R-VI Schools	29	13	42

DISTRICT	PSRS	NTRS	TOTAL	DISTRICT	PSRS	NTRS	TOTAL
Bradleyville R-I Schools	29	12	41	Thornfield R-I Schools	14	5	19
Gilman City R-IV Schools	26	15	41	Avenue City R-IX Schools	13	5	18
Glenwood R-VIII Schools	30	11	41	Gorin R-III Schools	10	8	18
Higbee R-VIII Schools	25	16	41	Kingston Public Schools	13	5	18
Risco R-II Schools	27	14	41	Laredo R-VII Schools	12	6	18
Golden City R-III Schools	27	13	40	Boncl R-X Schools	8	9	17
Kingsville R-I Schools	27	13	40	Callao C-8 Schools	12	5	17
Madison C-3 Schools	28	12	40	Holliday C-2 Schools	8	9	17
Phelps Co. R-III Schools	19	21	40	Gasconade C-4 Schools	9	7	16
Sheldon R-VIII Schools	26	14	40	Hardeman R-X Schools	10	6	16
Shell Knob Public Schools	27	13	40	Manes R-V Schools	10	6	16
Atlanta C-3 Schools	26	13	39	Missouri City Public Schools	8	8	16
Everton R-III Schools	27	12	39	MO State Teachers Association	16		16
Moniteau Co. C-1 Schools	27	12	39	Swedeborg R-III Schools	9	7	16
Taneyville R-II Schools	25	14	39	Plainview R-VIII Schools	9	6	15
Tina-Avalon R-II Schools	24	15	39	New York R-IV Schools	8	6	14
Bevier C-4 Schools	28	10	38	Cowgill R-VI Schools	9	4	13
Cooper Co. R-IV Schools	23	15	38	Middle Grove C-1 Schools	10	3	13
Delta C-7 Schools	27	11	38	Roscoe C-1 Schools	8	5	13
Macon Co. R-IV Schools	27	11	38	Strain-Japan R-XVI Schools	9	4	13
Miami R-I Schools	26	12	38	Coop.School Dist. Of St. Louis County	13		13
Prairie Home R-V Schools	26	12	38	Luray 33 Public Schools	6	6	12
Hume R-VIII Schools	22	15	37	Miami R-1 Schools	9	3	12
Bucklin R-II Schools	25	11	36	Orearville R-IV Schools	8	4	12
Hardin-Central C-2 Schools	27	9	36	Altenburg 48 Schools	8	3	11
Northwestern R-I Schools	27	9	36	Davis R-XII Schools	5	6	11
Bell City R-II Schools	28	7	35	High Point R-III Schools	7	4	11
Craig R-III Schools	21	14	35	Mark Twain R-VIII Schools	8	3	11
Howell Valley R-I Schools	23	12	35	Shawnee R-III Schools	7	4	11
Calhoun R-VIII Schools	26	8	34	Mirabile C-1 Schools	7	3	10
Chilhowee R-IV Schools	26	8	34	Moniteau Co. R-V Schools	6	4	10
Union Star R-II Schools	24	10	34	Gilliam C-4 Schools	6	3	9
Bosworth R-V Schools	19	14	33	Hudson R-IX Schools	4	3	7
Dadeville R-II Schools	28	5	33	Southwest MO State University	6		6
Franklin Co. R-II Schools	18	15	33	MO High School Act. Assoc.	5		5
Richwoods R-VII Schools	19	14	33	Division of Youth Services	2		2
Ridgeway R-V Schools	22	11	33	MO Southern State College	2		2
Newtown-Harris R-III Schools	17	15	32	Truman State University	2		2
Osborn R-O Schools	23	9	32	Central MO State University	1		1
Strasburg C-3 Schools	17	15	32	Department of Corrections	1		1
Ballard R-II Schools	19	12	31	Department of Mental Health	1		1
Breckenridge R-1 Schools	21	10	31	Harris-Stowe State College	1		1
Malta Bend R-V Schools	24	7	31				
North Daviess Co R-III Schools	19	12	31				
Stet R-XV Schools	19	12	31				
Bellevue R-III Schools	15	15	30				
Cainsville R-I Schools	16	13	29				
Green Forest R-II Schools	16	13	29				
Pemiscot Co. R-III Schools	16	13	29				
Spring Bluff R-XV Schools	19	10	29				
Hale R-I Schools	22	6	28				
Leopold R-III Schools	20	8	28				
Raymondville R-VII Schools	17	11	28				
Skyline R-II Schools	16	12	28				
Success R-VI Schools	17	11	28				
Westview C-6 Schools	17	11	28				
East Lynne Public Schools	18	9	27				
Leesville R-IX Schools	12	15	27				
Oak Hill R-I Schools	15	12	27				
Ripley Co. R-IV Schools	15	12	27				
Avilla R-XIII Schools	14	12	26				
Kelso C-7 Schools	15	11	26				
Wyaconda C-1 Schools	16	9	25				
Pleasant View R-VI Schools	13	11	24				
Clarksburg C-2 Schools	15	8	23				
Pettis Co. R-XII Schools	13	9	22				
Revere C-3 Schools	14	8	22				
Blackwater R-II Schools	15	6	21				
Livingston Co. R-III Schools	12	8	20				
Montrose R-XIV Schools	14	6	20				
Ripley Co. R-III Schools	12	8	20				
Centerville R-I Schools	12	7	19				
Spickard R-II Schools	11	8	19				